Section 18. Description of Other Major Federal Assistance Programs Not Within the Jurisdiction of the Committee on Ways and Means

Several Federal programs outside of the jurisdiction of the Committee on Ways and Means provide benefits to some share of those people who also benefit from assistance programs that are within the jurisdiction of the committee. This appendix describes several such programs: food stamps; Medicaid; housing assistance; school lunch and breakfast programs; the supplemental food program for Women, Infants, and Children (WIC); assistance provided under the Job Training Partnership Act; Head Start; the Low-Income Home Energy Assistance Program (LIHEAP); Veterans' Benefits and Services Programs; and Workers' Compensation programs.

Most families receiving AFDC would have incomes low enough to qualify them--or particular members of their families--for assistance under these programs. Unlike the principal assistance programs under the jurisdiction of the Committee on Ways and Means, participation in Head Start, LIHEAP, and other programs are limited either by appropriations, or, in the case of the school feeding programs, by the willingness of schools to participate. Income received from AFDC is counted in determining eligibility for these programs--as well as benefit levels, in some cases. However, because these programs provide in-kind rather than cash assistance, benefits received under these programs are not counted in determining eligibility for AFDC.

Tables 18-1 and 18-2 describe the overlap in recipients between programs within the jurisdiction of the Committee on Ways and Means and other major Federal assistance programs. Table 18-1 illustrates that 86.2 percent of AFDC recipient households received food stamps some time during the first quarter of 1992; 21.5 percent received WIC; 96.2 percent received Medicaid, 55.5 percent received free or reduced-price school meals; and 29.5 percent received housing assistance of some form.

Table 18-2 illustrates the reverse. For example, 47.5 percent of food stamp households received AFDC benefits at some time during the first quarter of 1992; 24.8 percent of food stamp households received SSI; and 6.4 percent of food stamp households received unemployment compensation benefits.

TABLE 18-1.--PERCENT OF RECIPIENTS IN PROGRAMS WITHIN THE JURISDICTION OF THE COMMITTEE ON WAYS AND MEANS RECEIVING ASSISTANCE FROM OTHER MAJOR FEDERAL ASSISTANCE PROGRAMS

[Households, first quarter of 1992]

	AFDC	SSI	Social Security	Unemployment compensation	Medicare
Number of households receiving benefits (in thousands)....	4,057	3,957	26,688	4,502	24,084

Percent receiving:					
Food stamps	86.2	46.2	7.3	10.4	6.6
WIC	21.5	4.3	0.8	4.0	0.7
Free or reduced-price school meals	55.5	18.2	3.7	12.7	2.4
Public or subsidized rental housing	29.5	23.8	7.5	3.9	7.8
Medicaid	96.2	99.8	13.8	14.2	14.0
VA compensation or pensions	1.9	4.0	6.5	2.2	6.9

Note: Table reads that 86.2 percent of AFDC households, also receive food stamps. The 994,000 SSI recepients living in California receive a higher SSI payment in lieu of food stamps, and thus are not included in the food stamp percentages.

Source: U.S. Bureau of the Census, Survey of Income and Program Participation.

TABLE 18-2.--PERCENT OF RECIPIENTS IN OTHER MAJOR FEDERAL ASSISTANCE PROGRAMS RECEIVING ASSISTANCE UNDER PROGRAMS WITHIN THE JURISDICTION OF THE COMMITTEE ON WAYS AND MEANS

[Households, first quarter of 1992]

	Food stamps	WIC	Free or reduced school meals	Public or subsidized rental housing	Medicaid	VA compensation or pensions

Number of households receiving benefits (in thousands)	7,358	2,500	7,982	4,871	10,533	2,699
Percent receiving:						
AFDC	47.5	34.8	28.2	24.6	37.0	2.8
SSI	24.8	6.8	9.0	19.3	37.5	5.9
Social Security	26.4	8.8	12.5	40.9	34.9	64.6
Unemployment compensation	6.4	7.2	7.2	3.6	6.1	3.7
Medicare	21.5	6.3	7.1	38.7	32	61.8

Note: Table reads that 47.5 percent of food stamp recipient households receive AFDC. The 994,000 SSI recepients living in California receive a higher SSI payment in lieu of food stamps, and thus are not included in the food stamp percentages.

Source: U.S. Bureau of the Census, Survey of Income and Program Participation.

Table 18-3 illustrates the percentage of households receiving AFDC or SSI and also receiving assistance from other programs for selected time periods. This table is constructed from table 18-1 in previous editions of this document. As shown in table 18-3, the number of households receiving AFDC and SSI benefits in the first quarter of 1991 has increased significantly in comparison to earlier years. In the first quarter of 1992, the number of households receiving SSI benefits had another significant increase, while the number of

AFDC households stayed relatively constant.

The percentage of households receiving other benefits has fluctuated over the period. For most types of benefits, there is no discernible pattern, and the percentage has remained consistently the same. The one exception to this general rule is the percentage of AFDC households also receiving public or subsidized rental housing. Between the second quarter of 1987 and the first quarter of 1990, the percentage of AFDC households receiving housing benefits increased from 19.4 percent to 34.7 percent. The percentage had dropped down again slightly by the first quarter of 1992.

TABLE 18-3.--PERCENT OF HOUSEHOLDS RECEIVING AFDC OR SSI AND ALSO RECEIVING ASSISTANCE FROM OTHER PROGRAMS FOR SELECTED TIME PERIODS

	1984	1986	1987	1988	1990	1991	1992
Quarter	4	1	2	4	1	1	1
AFDC:							
Number of households receiving benefits (in thousands)	3,585	3,617	3,527	3,329	3,434	4,051	4,057
Percent receiving:							
Food Stamps	81.4	80.3	81.7	84.6	82.7	84.6	86.2
WIC	15.3	15.1	18.6	19.1	18.7	16.3	21.5
Free or reduced-price school meals	49.2	50.5	55.6	52.5	52.7	52.2	55.5

Public or subsidized rental housing	23.0	24.8	19.4	31.3	34.7	31.5	29.5
Medicaid	93.2	95.2	95.5	95.6	97.6	96.9	96.2
VA compensation or pensions	2.8	1.7	1.9	.9	1.3	2.4	1.9
SSI:							
Number of households receiving benefits (in thousands)	3,008	3,110	3,341	3,186	3,037	3,593	3,957
Percent receiving:							
Food Stamps	46.5	44.7	39.7	42.2	41.3	44.3	46.2
WIC	2.5	2.7	2.5	2.5	3.0	2.2	4.3
Free or reduced-price school meals	12.7	14.7	11.9	15.5	15.3	17.5	18.2
Public or subsidized rental housing	21.6	20.7	20.0	22.2	21.4	24.9	23.8
Medicaid	100.0	100.0	99.6	99.6	99.7	99.6	99.8
VA compensation or pensions	4.7	5.2	7.7	6.1	5.7	3.1	4.0

Note: The 994,000 SSI recepients living in California receive a higher SSI payment in lieu of food stamps, and thus are not included in the food stamp percentages.

FOOD STAMP PROGRAM

Food stamps are designed primarily to increase the food purchasing power of eligible low-income households to a point where they can buy a nutritionally adequate low-cost diet. Participating households are expected to be able to devote 30 percent of their counted monthly cash income to food purchases.\1\ Food stamp benefits then make up the difference between the household's expected contribution to its food

costs
and an amount judged to be sufficient to buy an adequate low-
cost diet. This amount, the maximum food stamp benefit level,
is derived from the U.S. Department of Agriculture's lowest-
cost food plan (the Thrifty Food Plan), varied by household
size, and adjusted annually for inflation. Thus, a
participating household with no counted cash income receives
the maximum monthly allotment for its household size, intended
to enable it to purchase an adequate low-cost diet with its
food stamps alone, while one with some counted income receives
a lesser allotment, normally reduced from the maximum at the
rate of 30 cents for each dollar of counted income and intended
to enable it to purchase an adequate low-cost diet with a
combination of food stamps and its own cash.

\1\Because not all of a household's income is actually counted when
determining its food stamp benefits, the program, in effect, assumes
that most participants are able to spend about 20 percent of their
total cash monthly income on food.

Benefits are available to nearly all households that meet
Federal eligibility tests for limited monthly income and liquid
assets, as long as certain household members fulfill work
registration and employment and training program requirements.

In addition, recipients in the two primary Federal/State cash welfare programs, the AFDC and SSI programs, generally are automatically eligible for food stamps, as are recipients of State general assistance payments, if the household is composed entirely of AFDC, SSI, or general assistance beneficiaries. \2\

\2\Except for SSI recipients in California, where a State-financed adjustment to SSI benefits has replaced food stamp assistance, and general assistance programs that do not meet certain Federal standards.

ADMINISTRATION, PROGRAM VARIATIONS, AND FUNDING

The regular Food Stamp program operates in all 50 States, the District of Columbia, Guam, and the Virgin Islands. The Federal Government is responsible for virtually all of the rules that govern the program and, with limited variations for Alaska, Hawaii, and the territories, these rules are nationally uniform. States, the District of Columbia, and the territories may choose to offer the program or not. However, if they do offer food stamp assistance, it must be made available throughout the jurisdiction and comply with Federal rules. Sales taxes on food stamp purchases may not be charged, and food stamp benefits do not affect other assistance available to low-income households, nor are they taxed as income.

Alternative programs are offered in Puerto Rico and the

Northern Mariana Islands, and program variations occur in a number of demonstration projects and in those jurisdictions that have elected to exercise the limited number of program options allowed.

Funding is overwhelmingly Federal, although the States and other jurisdictions have financial responsibility for significant administrative costs, as well as liability for erroneous benefit determinations (as assessed under the food stamp ``quality control'' system).

Federal administrative responsibilities

At the Federal level, the program is administered by the Agriculture Department's Food and Nutrition Service (FNS). The FNS gives direction to welfare agencies through Federal regulations that define eligibility requirements, benefit levels, and administrative rules. It is also responsible for (1) printing food stamp coupons and distributing them to welfare agencies and (2) approving, and overseeing participation by retail food stores and other outlets that may accept food stamps. Other Federal agencies that have administrative roles to play include: the Federal Reserve System (through which food stamps are redeemed for cash, and which has some jurisdiction over ``electronic benefit transfer'' methods for issuing food stamp benefits), the Social Security Administration (responsible for the social security numbers recipients must have, provision of limited application ``intake'' services, and providing information to verify recipients' income), the Internal Revenue Service (providing assistance in verifying recipients' income and assets), and

the
Immigration and Naturalization Service (helping welfare offices
confirm alien applicants' status).

State and local administrative responsibilities

States, the District of Columbia, Guam, and the Virgin Islands, through their local welfare offices, have primary responsibility for the day-to-day administration of the Food Stamp program. They determine eligibility, calculate benefits, and issue food stamp allotments following Federal rules. They also have a significant say about carrying out employment and training programs and some administrative features of the program (e.g., the extent to which verification of household circumstances is pursued, the method by which food stamps are issued). Most often, the Food Stamp program is operated through the same welfare agency and staff that runs the Federal/State AFDC and Medicaid programs.

Puerto Rico and the Northern Mariana Islands

In addition to the regular Food Stamp program, the Food Stamp Act directs funding for a nutrition assistance program in the Commonwealth of Puerto Rico. Separate legislation authorizes a variant of the Food Stamp program in the Commonwealth of the Northern Mariana Islands.

Since July 1982, Puerto Rico has operated a nutrition assistance program of its own design, funded by an annual Federal ``block grant.''\3\ The Commonwealth's nutrition assistance program differs from the regular Food Stamp program primarily in that: (1) funding is limited to an annual amount specified by law;\4\ (2) the Food Stamp Act allows the Commonwealth a great deal of flexibility in program design, as opposed to the regular program's extensive Federal rules; (3) benefits are paid in cash (checks) rather than food stamp coupons; (4) income and liquid assets eligibility limits are about half those used in the regular Food Stamp program; (5) maximum benefit levels are about one-quarter less than in the 48 contiguous States and the District of Columbia; and (6) different rules are used in counting income for eligibility and benefit purposes. In fiscal year 1993, Puerto Rico's nutrition assistance program aided approximately 1.44 million persons each month with monthly benefits averaging $58 a person.

\3\Prior to July 1982, the regular Food Stamp program operated in Puerto Rico, although with slightly different eligibility and benefit rules.

\4\For fiscal year 1993, $1.051 billion was earmarked; approximately $30 million of this amount was used to fund 2 special projects--a cattle tick eradication program and a wage-subsidy program. The block grant funds the full cost of benefits and half the cost of administration.

Under the terms of the 1976 Covenant with the Commonwealth of the Northern Mariana Islands and implementing legislation (P.L. 96-597), a variant of the Food Stamp program was negotiated with the Commonwealth and began operations in July 1982. The program in the Northern Marianas differs primarily in that: (1) it is funded entirely by Federal money, up to a maximum grant of $3.7 million a year; (2) a portion of each household's food stamp benefit must be used to purchase locally produced food; (3) maximum allotments are about 20 percent higher than in the 48 contiguous States and the District of Columbia; and (4) income eligibility limits are about half those in the regular program. In fiscal year 1993, the Northern Marianas' program assisted some 2,900 people each month with monthly benefits averaging $72 a person.

Program options

The Food Stamp Act authorizes demonstration projects to test program variations that might improve operations.\5\ In addition, States are allowed to implement a few optional aspects of the Food Stamp program. States may require ``monthly reporting'' and ``retrospective budgeting'' for parts of their food stamp caseload. They may disregard the first $50 a month in child support payments, if they pay the benefit cost of doing so. States or localities may choose to run ``workfare'' programs, and State welfare agencies exercise primary responsibility in the design of food stamp employment and training programs. And States can operate ``outreach'' programs, with Federal cost-sharing, to inform low-income persons about food stamps.

\5\At present, eight types of demonstration projects are underway: (1) ``cashout'' projects for the elderly and SSI recipients, (2) ``electronic benefit transfer'' projects testing alternative methods of benefit delivery, (3) projects providing cash benefits to very poor households who are eligible for expedited service, (4) projects testing simplified AFDC/FS application and benefit determination procedures, (5) ``welfare reform'' demonstrations testing various combinations of standardized AFDC/FS rules, cashing out food stamp benefits, and merging AFDC/FS rules and benefits, (6) a project granting quarterly (instead of monthly) benefit payments to SSI recipients eligible for very small benefits, (7) demonstrations conforming the operations of the AFDC JOBS program and the food stamp program's employment and training activities, and (8) awards to nonprofit organizations to test ways to improve program responsiveness to specific target groups in the low-income population.

Funding

The Food Stamp Act provides 100 percent Federal funding of food stamp benefits. The Federal Government is also responsible for its own administrative costs: overseeing program operations (including oversight of participating food establishments), printing and distributing food stamp coupons to welfare agencies, redeeming food stamp coupons through the Federal Reserve, and payments to the Social Security Administration for certain intake services.

In most instances, the Federal Government provides half the cost of State welfare agency administration, including the cost of optional outreach activities.\6\ The 50-percent Federal share can be increased to as much as 60 percent where the State has a very low rate of erroneous benefit determinations. And, the cost of carrying out employment and training programs for food stamp recipients is shared in two ways: (1) each State receives a Federal grant for basic operating costs (a formula share of $75 million a year) and (2) additional operating costs, as well as expenses for support services to participants (e.g., transportation, child care) are eligible for a 50-percent Federal match.\7\ Finally, States are allowed to retain a portion of improperly issued benefits that they recover (other than those caused by welfare agency error): 25 percent of recoveries in fraud cases and 10 percent in other circumstances.

\6\Until April 1994, the cost of certain activities was matched at more than the 50-percent rate: costs associated with the development of computer capability and fraud control activities were eligible for 63 and 75 percent Federal sharing, respectively; costs for implementing the Systematic Alien Verification for Entitlements (SAVE) program were fully reimbursed by the Federal Government.

\7\The Federal 50-percent share for support services is limited. Coverage extends to (1) dependent care costs up to $160 per dependent per month and (2) other expenses (e.g., transportation) up to $25 per participant per month. Beginning in September 1994, States will be allowed to set their own limits on dependent care costs eligible for Federal matching, so long as they are not higher than local market rates.

TABLE 18-4.--RECENT FOOD STAMP ACT EXPENDITURES

[In millions of dollars]

Fiscal year	Benefits\2\ (Federal)	Administration\1\ Federal	Administration\1\ State and local	Total
1979	6,480	515	388	7,383
1980	8,685	503	375	9,563
1981	10,630	678	504	11,812
1982	10,408	709	557	11,674

1983..........................	11,955	778	612	13,345
1984..........................	11,499	971	805	13,275
1985..........................	11,556	1,043	871	13,470
1986..........................	11,415	1,113	935	13,463
1987..........................	11,344	1,195	996	13,535
1988..........................	11,999	1,290	1,080	14,369
1989..........................	12,483	1,332	1,101	14,916
1990..........................	15,090	1,422	1,174	17,686
1991..........................	18,249	1,516	1,247	21,012
1992..........................	21,883	1,656	1,375	24,914
1993..........................	23,032	1,774	1,498	26,304

\1\All Federal administrative costs associated with the Food Stamp program and Puerto Rico's block grant are included: Federal matching for the various administrative and employment and training expenses of States and other jurisdictions, and direct Federal administrative costs. Figures for Federal administrative costs beginning with fiscal year 1989 include only those paid out of food stamp appropriation and the food stamp portion of the general appropriation for food program administration. Figures for earlier years include estimates of food stamp related Federal administrative expenses paid out of

other
Agriculture Department accounts.
State and local costs are estimated based on the known Federal shares
and represent an estimate of all administrative expenses of
participating States and other jurisdictions (including Puerto Rico).
\2\All benefit costs associated with the Food Stamp program and Puerto
Rico's block grant are included. The benefit amounts shown in the
table reflect small downward adjustments for overpayments collected
from recipients and, beginning in 1989, issued but unredeemed
benefits. Over time, the figures reflect both changes in benefit
levels and numbers of recipients.

Source: Budget documents prepared by the FNS. Compiled by the
Congressional Research Service.

ELIGIBILITY

The Food Stamp program has financial, employment/training-related, and ``categorical'' tests for eligibility. Its financial tests require that most of those eligible have monthly income and liquid assets below limits set by food stamp law. Under the employment/training-related tests, certain household members must register for work, accept suitable job offers, and fulfill work or training requirements (such as looking or training for a job) established by State welfare agencies. The limited number of categorical eligibility rules make some automatically eligible for food stamps (most AFDC, SSI, and general assistance recipients), and categorically deny eligibility to others (e.g., strikers, illegal and temporarily resident aliens, those living in institutional settings). Applications cannot be denied because of the length of a household's residence in a welfare agency's jurisdiction or because it has no fixed mailing address or does not reside in a permanent dwelling.

The food stamp household

The basic food stamp beneficiary unit is the ``household.'' A food stamp household can be either a person living alone or a group of individuals living together; there is no requirement for cooking facilities. It is unrelated to recipient units in other welfare programs (e.g., AFDC families with dependent children, elderly or disabled individuals and couples in the SSI program).

Generally speaking, individuals living together constitute a single food stamp household, if they customarily purchase food and prepare meals in common. Members of the same household must apply together, and their income, expenses, and assets normally are aggregated in determining food stamp eligibility and benefits. However, persons who live together can sometimes be considered separate households for food stamp purposes, some related co-residents are required to apply together, and special rules apply to those living together in institutional settings. Most often, persons living together receive larger aggregate benefits if they are treated as more than one food stamp household. In determining whether co-residents are treated as separate households, the following rules are applied.

Unrelated co-residents may apply and be treated as separate households if they purchase food and prepare meals separately (this includes roomers and live-in attendants).

As with unrelated persons, elderly or disabled adults (together with their spouses)\8\ and parents of minor children (together with their children) may apply and be treated separately from any other related co-residents, if they purchase food and prepare meals separately. Moreover, elderly persons who live with others and cannot purchase food and prepare meals separately because of a substantial disability may apply and be treated separately from their co-residents, as long as their co-residents' income is below prescribed limits.

\8\In the Food Stamp program, ``elderly'' persons are those age 60 or older. The ``disabled'' generally are beneficiaries of governmental disability-based assistance (e.g., social security or SSI disability recipients, disabled veterans, certain disability retirement annuitants, recipients of disability-based Medicaid or general assistance).

On the other hand, separate household treatment is barred for certain related co-residents, regardless of how food is purchased and meals are prepared:

- --Co-resident spouses may not apply and be treated separately;
- --Children under 18 and their co-resident parent(s) or caretaker(s) may not apply and be treated separately, although persons caring for foster children may opt to exclude the child(ren) from their household unit, and categorically ineligible parents (e.g., certain aliens) may apply on behalf of their otherwise eligible children;
- --Except for the elderly, disabled, and parents with minor children, closely related adult co-residents (i.e., parents and their adult children, brothers and sisters) may not apply and be treated separately.

Effective September 1994, the definition of a food stamp household is revised to provide that persons who live together, but purchase food and prepare meals separately, may apply separately, except for: (1) spouses, (2) parents and their children (21 years or younger), other than children who themselves have a spouse or children, and (3) minors 18 years or younger (excluding foster children) who live under the parental control of a caretaker.

Finally, although those living in institutional settings generally are barred from food stamps, individuals in certain types of group living arrangements may be eligible and are automatically treated as separate households, regardless of how food is purchased and meals are prepared. These arrangements must be approved by State or local agencies and include: residential drug addict or alcoholic treatment programs, small group homes for the disabled, shelters for battered women and children, and shelters for the homeless.

Thus, different food stamp households can live together, food stamp recipients can reside with nonrecipients, and food stamp households themselves may be ``mixed'' (include recipients and nonrecipients of other welfare benefits).

Income eligibility

Except for households composed entirely of AFDC, SSI, or general assistance recipients (who generally are automatically eligible for food stamps), monthly cash income is the primary food stamp eligibility determinant.\9\

\9\Although they do not have to meet food stamp income and assets tests, AFDC, SSI, and general assistance households must still have their income calculated under food stamp rules to determine their food stamp benefits.

In establishing eligibility for households without an elderly or disabled member, the Food Stamp program uses both the household's basic (or ``gross'') monthly income and its counted (or ``net'') monthly income.

When judging eligibility for households with elderly or disabled members, only the household's counted monthly income is considered; in effect, this applies a more liberal income test to elderly and disabled households.

Basic (or gross) monthly income includes all of a household's cash income, only excepting the following ``exclusions'' (disregards): (1) most payments made to third parties (rather than directly to the household);\10\ (2) unanticipated, irregular, or infrequent income, up to $30 a quarter; (3) loans (deferred repayment student loans are treated as student aid, see below); (4) income received for the care of someone outside the household; (5) nonrecurring lump-sum payments such as income tax refunds and retroactive lump-sum social security payments (these are instead counted as liquid assets); (6) energy assistance; (7) expense reimbursements that are not a ``gain or benefit'' to the household; (8) income earned by schoolchildren; (9) the cost of producing self-employment income; (10) Federal postsecondary student aid (e.g., Pell grants, student loans)\11\ (11) advance payments of Federal earned income tax credits; (12) ``on-the-job'' training earnings of dependent children under 19 in Job Training Partnership Act (JTPA) programs, as well as JTPA monthly ``allowances;'' (13) income set aside by disabled SSI recipients under an approved ``plan to achieve self-sufficiency'' (PASS); and (14) payments required to be disregarded by provisions of Federal law outside the Food Stamp Act (e.g., various payments under laws relating to Indians, payments under the Older Americans Act employment program

for
the elderly).

\10\Some third-party (``vendor'') payments for normal living expenses are not disregarded.
\11\Postsecondary student aid other than Federal aid is disregarded to the extent that it is used or earmarked for tuition, mandatory school fees or expenses, loan origination fees, and miscellaneous education-related expenses.

Counted (or net) monthly income is computed by subtracting certain ``deductions'' from a household's basic (or gross) monthly income. It recognizes that not all of a household's income is equally available for food purchases by disregarding a standard portion of income, plus amounts representing work expenses or excessively high non-food living expenses.

For households without an elderly or disabled member, counted monthly income equals their basic (gross) monthly income less the following deductions:

--an inflation-indexed (each October) ``standard deduction'' set at $131 a month in fiscal year 1994, regardless of household size;\12\

\12\Different standard deductions are used for Alaska ($223), Hawaii ($185), Guam ($262), and the Virgin Islands ($115).

--20 percent of any earned income, in recognition of taxes and work expenses;

--out-of-pocket dependent care expenses, when related to work or training, up to $160 a month per dependent, rising to $200 a month for children under age 2 and $175 a month for other dependents in September 1994; and

--any shelter expenses, to the extent they exceed 50 percent of counted income after all other deductions, up to a periodically adjusted ceiling standing at $207 a month from October 1993 through June 1994, and rising to $231 in July 1994.\13\

\13\Different ceilings prevail in Alaska, Hawaii, Guam, and the Virgin Islands. Through June 1994, they are $359, $295, $251, and $152; in July 1994, they will rise to $402, $330, $280, and $171.

For households with an elderly or disabled member, counted monthly income equals their basic (gross) monthly income less the following deductions:

--the same standard, earned income, and dependent care deductions noted above;

--any shelter expenses, to the extent they exceed 50 percent of counted income after all other deductions, with no limit; and

--any out-of-pocket medical expenses (other than those for special diets) that are incurred by an elderly or disabled household member, to the extent they exceed a ``threshold'' of $35 a month.

Finally, during fiscal year 1995, States will implement a newly enacted additional deduction: households will be allowed to deduct any amounts paid as legally obligated child support.

Except for those households comprised entirely of AFDC, SSI, or general assistance recipients, in which case food stamp eligibility generally is automatic, all households must have counted (net) monthly income that does not exceed the Federal poverty guidelines, as adjusted for inflation each October. Households without an elderly or disabled member also must have basic (gross) monthly income that does not exceed 130 percent of the inflation-adjusted Federal poverty guidelines. Both these income eligibility limits are uniform for the 48 contiguous States, the District of Columbia, Guam, and the Virgin Islands; somewhat higher limits (based on higher poverty guidelines) are applied in Alaska and Hawaii.

TABLE 18-5.--COUNTED (NET) AND BASIC (GROSS) MONTHLY INCOME ELIGIBILITY LIMITS

[Effective October 1993 through September 1994]

Household size	48 States, D.C., and the	Alaska	Hawaii

territories

COUNTED (NET) MONTHLY INCOME ELIGIBILITY LIMITS \1\

1 person....................	$581	$725	$670
2 persons...................	786	982	905
3 persons...................	991	1,239	1,140
4 persons...................	1,196	1,495	1,375
5 persons...................	1,401	1,752	1,610
6 persons...................	1,606	2,009	1,845
7 persons...................	1,811	2,265	2,080
8 persons...................	2,016	2,522	2,315
Each additional person.......	+205	+257	+235

BASIC (GROSS) MONTHLY INCOME ELIGIBILITY LIMITS \2\

1 person....................	$756	$943	$871
2 persons...................	1,022	1,277	1,177

3 persons....................	1,289	1,610	1,482
4 persons....................	1,555	1,944	1,788
5 persons....................	1,822	2,278	2,093
6 persons....................	2,088	2,611	2,399
7 persons....................	2,355	2,945	2,704
8 persons....................	2,621	3,279	3,010
Each additional person.......	+267	+334	+306

\1\Set at the applicable Federal poverty guidelines, updated for inflation through calendar 1992.
\2\Set at 130 percent of the applicable Federal poverty guidelines, updated for inflation through calendar 1992.

Allowable assets

Except for those households who are automatically eligible for food stamps because they are composed entirely of AFDC, SSI, or general assistance recipients, eligible households must have counted ``liquid'' assets that do not exceed federally prescribed limits. Households without an elderly member cannot have counted liquid assets above $2,000. Households with an elderly member cannot have counted liquid assets above $3,000.

Counted liquid assets include cash on hand, checking and savings accounts, savings certificates, stocks and bonds, individual retirement accounts (IRAs) and ``Keogh'' plans (less any early withdrawal penalties), and nonrecurring lump-sum payments such as insurance settlements. Certain ``less liquid'' assets are also counted: a portion of the value of vehicles (generally, the ``fair market value'' in excess of $4,500) and the equity value of property not producing income consistent with its value (e.g., recreational property).

Counted assets do not include the value of the household's residence (home and surrounding property), business assets, personal property (household goods and personal effects), lump-sum earned income tax credit payments, burial plots, the cash value of life insurance policies and pension plans (other than Keogh plans and IRAs), and certain other resources whose value is not accessible to the household or are required to be disregarded by other Federal laws.

Work registration and employment and training program requirements

Unless exempt, adult applicants for food stamps must register for work, typically with the welfare agency or a State employment service office. To maintain eligibility, they must accept a suitable job if offered one and fulfill any work, ``job search,'' or training requirements established by administering welfare agencies. If the household head fails to fulfill any of these requirements, the entire household is disqualified, typically for 2 months; in other cases, failure to comply disqualifies the noncomplying household member only.

Those who are exempt by law from work registration, having to accept a suitable job offer, and employment and training program requirements (work, job search, training) include: persons physically or mentally unfit for work, those under age 16 or age 60 or older, and individuals between 16 and 18 (if they are not head of household or are attending school or a training program); persons working at least 30 hours a week or earning the minimum wage equivalent; persons caring for dependents who are disabled or under age 6, and those caring for children between ages 6 and 12 if adequate child care is not available (this second exemption is limited to allowing these persons to refuse a job offer if care is not available); individuals already subject to and complying with another assistance program's work, training, or job search requirements (i.e., those in AFDC work, training, or job search programs or fulfilling unemployment compensation job search requirements); otherwise eligible postsecondary students; and residents of drug addiction and alcoholic treatment programs.

Those not exempted by one of the above-listed rules must, at least, register for work and accept suitable job offers. However, the main thrust of the food stamp employment and training program is to ensure that nonexempt recipients (``mandatory'' work registrants) also fulfill some type of work, job search, or training obligation. To carry this out, welfare agencies are required to operate an employment and training program of their own design for work registrants whom they designate. Welfare agencies may require all work registrants to participate in one or more components of their program, or limit participation (with the Agriculture Department's approval) by further exempting additional categories and individuals for whom participation is judged ``impracticable'' or not ``cost-effective.'' But they must allow otherwise exempt recipients to participate as volunteers and may set up special programs for them.

Once the ``pool'' of work registrants who will be required to participate in an employment or training program is identified, welfare agencies must place at least 15 percent of them in one or more program components. Program components can include any or all of the following activities, at the welfare agency's option: supervised job search or training for job search, workfare, work experience or training programs, education programs to improve basic skills, or any other employment or training activity approved by the Agriculture Department.

Recipients who take part in an employment or training activity beyond work registration cannot be required to work more than the minimum wage equivalent of their household's benefit, and total hours of participation (including both work and any other required activity) cannot exceed 120 hours a month. Welfare agencies also must provide participants support for costs directly related to participation (e.g., transportation and child care). Agencies may limit this support to $25 per participant per month for all support costs other than dependent care, and to local market rates for necessary dependent care.

Categorical eligibility rules and other limitations

A few food stamp rules deny food stamp eligibility for reasons other than financial need (limited income or liquid assets) or compliance with work registration or employment and training program requirements: (1) Where the head of household has voluntarily quit a job without good cause, the household's eligibility is barred for 90 days; (2) Households containing members on strike are ineligible, unless eligible prior to the strike; (3) Postsecondary students (in school half-time or more) who are physically and mentally fit for work and between ages 18 and 50 are ineligible unless they are assigned to school by a JTPA or other employment and training program, are employed at least 20 hours a week or participating in a federally financed work-study program, are a parent with responsibility for the care of a dependent child under age 6, an AFDC recipient, responsible for a child between 6 and 12 and do not have access to child care adequate to allow both work and school, or are a full-time single parent student responsible for a child under age 12; (4) Eligibility is barred to illegal or temporarily resident aliens;\14\ (5) Eligibility is denied persons living in institutional settings, except for those in special SSI-approved small group homes for the disabled, persons living in drug addiction or alcoholic treatment programs, and persons in shelters for battered women and children or shelters for the homeless; (6) Boarders are ineligible unless they apply together with the household they are boarding with; (7) Eligibility is denied those who transfer assets for the purpose of qualifying for food stamps; (8) Those who intentionally violate food stamp rules are disqualified for specific time periods ranging from 6 months (on first violation) to permanently (on a third violation); (9) Those failing to provide social security numbers, or to cooperate in providing information needed to verify eligibility or benefit determinations, are ineligible.

\14\In addition, a legal alien's sponsor's income and assets may deny the alien eligibility.

BENEFITS

Food stamp benefits are a function of a household's size, its counted (net) monthly income, and maximum monthly benefit levels (in some cases, adjusted for geographic location). An eligible household's counted income is determined (as for eligibility), its maximum benefit level is established (depending on its size and location), and a benefit is calculated by subtracting its expected contribution (30 percent of its counted income) from its maximum allotment; maximum allotments are available only to those with no counted monthly income. Allotments are not taxable and food stamp purchases may not be charged sales taxes. Receipt of food stamps does not affect eligibility for or benefits provided by other welfare programs, although some programs use food stamp participation as a ``trigger'' for eligibility and others take into account the general availability of food stamps in deciding what level of benefits to provide. In fiscal year 1993, monthly benefits averaged $68 a person and about $170 a household.

Maximum monthly allotments

Maximum monthly food stamp allotments are tied to the cost of purchasing a nutritionally adequate low-cost diet, as measured by the Agriculture Department's Thrifty Food Plan (TFP).\15\ Maximum allotments are set at: the monthly cost of the TFP for a 4-person family consisting of a couple between ages 20 and 50 and 2 school-age children, adjusted for family size (using a formula reflecting economies of scale developed by the HNIS), increased by 3 percent, and rounded down to the nearest whole dollar. They are adjusted for food price inflation annually, each October, to reflect the cost of the TFP in the immediately previous June.

\15\The TFP is the cheapest of four food plans designed by the Agriculture Department's Human Nutrition Information Service (HNIS) and is priced monthly (using data from price surveys done for the CPI-U).

Maximum allotments are standard in the 48 contiguous

States and the District of Columbia; they are higher, reflecting substantially different food costs, in Alaska, Hawaii, Guam, and the Virgin Islands.

TABLE 18-6.--MAXIMUM MONTHLY FOOD STAMP ALLOTMENTS
[Effective October 1993 through September 1994]

Household size	48 States and D.C.	Alaska\1\	Hawaii	Guam	Virgin Islands
1 person................	$112	$147	$187	$166	$144
2 persons...............	206	271	343	304	265
3 persons...............	295	388	492	436	380
4 persons...............	375	492	625	553	483
5 persons...............	446	585	742	657	573
6 persons...............	535	702	890	789	688
7 persons...............	591	776	984	872	760
8 persons...............	676	887	1125	997	869
Each additional person..	+85	+111	+141	+125	+109

\1\Maximum monthly allotments for designated urban areas of Alaska. Two separate higher allotment levels are applied in remote rural areas of Alaska. They are 29 and 56 percent higher than the urban allotments shown here.

Minimum and prorated benefits

Eligible one- and two-person households are guaranteed a minimum monthly food stamp allotment of $10. Minimum monthly benefits for other household sizes vary from year to year, depending on the relationship between changes in the income eligibility limits and the adjustments to the cost of the TFP, and in a few cases, benefits can be reduced to zero before income eligibility limits are exceeded (making some households eligible for no benefit). At present, minimum monthly allotments for households of three or more persons range from $2 to slightly over $80.

In addition, a household's calculated monthly allotment can be prorated (reduced) for one month. On application, a household's first month's benefit is reduced to reflect the date of application. If a previously participating household does not meet eligibility recertification requirements in a timely fashion, but does become certified for eligibility subsequently, benefits for the first month of its new certification period normally are prorated to reflect the date when recertification requirements were met.

Application processing and issuing food stamps

Food stamp benefits are normally issued monthly. The local welfare agency must either deny eligibility or make food stamps available within 30 days of initial application and must provide food stamps without interruption if an eligible household reapplies and fulfills recertification requirements in a timely manner. Households in immediate need because of little or no income and very limited cash assets, as well as the homeless and those with extraordinarily high shelter expenses, must be given expedited service (provision of benefits within 5 days of initial application).

Food stamp issuance is a welfare agency responsibility and issuance practices differ among welfare agencies. Most food stamp coupons are issued by: (1) providing (usually mailing) recipients an authorization-to-participate (ATP) card that is then turned in at a local issuance point (e.g., a bank or post office) when picking up their monthly allotment, or (2) mailing food stamp coupon allotments directly to recipients. However, several pilot projects issue cash benefits, and in a small but growing number of areas, electronic benefit transfer (EBT) systems are used. EBT systems replace coupons with an ATM-like card used to make food purchases at the point of sale by deducting the purchase amount from the recipient's food stamp benefit account.

Using food stamps

Food stamp benefits are issued in the form of booklets of coupons. The smallest coupon denomination is $1; if change of less than $1 is due on a food stamp purchase, it is returned in cash. Typically, participating households use their food stamps in approved grocery stores to buy food items for home preparation and consumption. However, the actual list of approved uses for food stamps is more extensive, and includes: (1) food for home preparation and consumption, not including alcohol, tobacco, or hot foods intended for immediate consumption; (2) seeds and plants for use in gardens to produce food for personal consumption; (3) in the case of the elderly and SSI recipients (and their spouses), meals prepared and served through approved communal dining programs for the elderly and disabled; (4) in the case of the elderly and those who are disabled to an extent that they cannot prepare all of their meals, home-delivered meals provided by programs for the homebound; (5) meals prepared and served to residents of drug addiction and alcoholic treatment programs, small group homes for the disabled, shelters for battered women and children, and shelters or other establishments serving the homeless; and (6) where the household lives in certain remote areas of Alaska, equipment for procuring food by hunting and fishing (e.g., nets, hooks, fishing rods, and knives). As noted earlier, sales taxes may not be charged on food stamp purchases.

Quality control

Since the early 1970s, the Food Stamp program, like other welfare programs, has had a ``quality control'' system to monitor the degree to which erroneous eligibility and benefit determinations are made by welfare agencies. The system was established by regulation in the1970s as an administrative tool to enable welfare officials to identify problems and needed corrective actions. Today, by legislative directive, it is also used to calculate and impose fiscal liabilities (``sanctions'') on States that have very high rates of erroneous benefit payments (very high dollar ``error rates'').

Under the quality control system, welfare agencies, with Federal oversight, continuously sample their active food stamp caseloads, as well as the correctness of decisions to deny or end benefits, and perform in-depth investigations of the eligibility and benefit status of randomly chosen cases in the samples looking for errors in applying Federal rules and otherwise erroneous benefit and eligibility outcomes. Over 90,000 cases are reviewed each year, and each State's sample is designed to provide a statistically valid picture of erroneous decisions and, in most instances, their dollar value in benefits. The resulting error rate information is used by program managers to chart needed changes in administrative practices, and, by the Federal Government, to assess fiscal sanctions on States with error rates above certain ``tolerance levels,'' to reward States with error rates below a separate lower tolerance level, and to review welfare agency plans for action to correct procedures to control errors. Both error rate findings and any assessed sanctions are subject to appeal through administrative law judges and the Federal courts. Sanctions may be reduced or waived if the State shows ``good cause'' or if it is determined that the sanction amounts should be ``invested'' in improved State administration. Interest may be charged on outstanding sanction liabilities if the administrative appeals process takes more than 1 year.

Quality control reviews generate annual estimates of caseload and dollar error rates: the proportion of cases in which an error is found and the dollar value of the errors as a proportion of total benefit dollars. Caseload and dollar error rates are calculated for overpayments (including incorrect payments to eligible and ineligible households) and underpayments. The accuracy of welfare agency decisions denying or terminating assistance also is measured, with an error rate reflecting the proportion of denials and terminations that were improper; no dollar value is calculated. The total national weighted average dollar error rate for overpayments was estimated at 8.2 percent in fiscal year 1992; this was up from 7 percent in 1991 (the all-time low) and was the highest rate recorded since 1985. The fiscal year 1992 caseload error rate for overpayments was estimated at 17.6 percent. Error rates for underpayments have been relatively unchanged over time. In fiscal year 1992, the national weighted average underpayment dollar error rate was estimated at 2.5 percent, and the underpayment caseload error rate was 9.9 percent. Finally, the rate of denials and terminations found improper was 5.1 percent in 1992.

The dollar error rates reported through the food stamp quality control system are used as the basis for assessing the financial liability of States for overpaid and underpaid benefits. Although well over $500 million in sanctions have been assessed since the early 1980s, only approximately $5 million has been collected. The appeals process has delayed collection, and sanctions have been forgiven or waived both by Congress and the administration. In amending the rules governing sanctions in 1988 and 1990, Congress forgave accumulated sanctions, and, in late 1992, the administration waived sanctions by allowing States to invest the amounts in improved administration.

Rules governing fiscal sanctions have changed a number of times. Under the most recent revision (1993), sanctions are assessed States with combined (overpayment and underpayment) dollar error rates above the national weighted average combined error rate for the year in question (10.7 percent in 1992). Each State's sanction amount is determined by using a ``sliding scale'' so that its penalty assessment equals an amount reflecting the degree to which the State's combined error rate exceeds the national average (the ``tolerance level''). For example, if the tolerance level is 10 percent and a State's error rate is 12 percent, the State would be assessed a sanction of 0.4 percent of benefits paid in the State that year: i.e., the State's error rate is 2 percentage points, or 20 percent, above the tolerance level, and it is assessed a sanction representing 20 percent of the amount by which it exceeds the tolerance level (2 percentage points x 0.2 = 0.4). A State with a combined error rate of 14 percent would owe a penalty of 1.6 percent of benefits, or 40 percent of the amount by which it exceeds the 10-percent tolerance level (4 percentage points x 0.4 = 1.6). Thus, the degree to which a State is assessed sanctions increases as its error rate rises, rather than having sanctions assessed equally on each dollar above the tolerance level. In fiscal year 1992, 12 States had combined error rates above the 10.7 percent tolerance level.

States also can receive increased Federal funding for administration if their error rates are below a second, much lower threshold. States with a combined error rate below 6 percent are entitled to a larger-than-normal Federal share of their administrative costs. The regular 50-percent Federal match is, depending on the degree to which the State's error rate is below 6 percent, raised to a maximum of 60 percent, as long as the State's rate of improper denials and terminations is below the national average. This ``enhanced'' administrative funding has typically totaled $5-10 million a year; in fiscal year 1992, six States had combined error rates below 6 percent.

Finally, the quality control system also identifies the various sources of error and requires that the majority of States develop and carry out corrective action plans to improve payment accuracy using the information gathered through quality control reviews. These reviews generally show that the primary ``responsibility'' for overpayment errors is almost evenly split between welfare agencies and clients, and the most common errors are related to establishing food stamp expense ``deductions'' and households' income.

TABLE 18-7.--FOOD STAMP QUALITY CONTROL ERROR RATES: FISCAL YEAR 1992

[Percent of benefits paid or not paid in error]

State	Underpayment error rate	Overpayment error rate	Combined error rate
Alabama.........................	1.76	6.47	8.23
Alaska..........................	1.20	7.12	8.32
Arizona.........................	3.19	10.16	13.35
Arkansas........................	2.23	5.25	7.47
California......................	3.71	7.00	10.71
Colorado........................	1.80	5.81	7.61
Connecticut.....................	2.47	5.65	8.12
Delaware........................	1.51	6.87	8.38
D.C.............................	3.10	7.46	10.56
Florida.........................	3.96	15.71	19.68
Georgia.........................	2.65	8.30	10.96
Guam............................	2.16	6.84	8.99

Hawaii.........................	.99	2.86	3.85
Idaho..........................	2.45	4.73	7.18
Illinois.......................	2.42	7.55	9.97
Indiana........................	3.23	10.33	13.56
Iowa...........................	3.08	7.68	10.76
Kansas.........................	1.27	5.62	6.89
Kentucky.......................	1.79	3.06	4.85
Louisiana......................	1.82	7.33	9.15
Maine..........................	2.31	6.12	8.43
Maryland.......................	2.00	6.99	8.99
Massachusetts..................	1.22	6.16	7.38
Michigan.......................	1.97	7.08	9.05
Minnesota......................	2.23	8.25	10.48
Mississippi....................	1.80	8.28	10.08
Missouri.......................	2.64	7.13	9.77
Montana........................	1.99	6.68	8.75
Nebraska.......................	2.52	6.69	9.21
Nevada.........................	1.35	5.49	6.83
New Hampshire..................	2.43	9.63	12.06
New Jersey.....................	3.13	5.04	8.17
New Mexico.....................	2.85	5.70	

			8.55
New York........................	2.97	8.23	11.20
North Carolina..................	2.34	6.55	8.89
North Dakota....................	1.58	4.30	5.89
Ohio............................	1.88	11.31	13.19
Oklahoma........................	2.64	6.28	8.92
Oregon..........................	1.74	7.47	9.21
Pennsylvania....................	1.95	6.18	8.13
Rhode Island....................	1.30	3.10	4.40
South Carolina..................	1.99	7.01	9.00
South Dakota....................	.92	3.60	4.52
Tennessee.......................	2.53	10.59	13.12
Texas...........................	2.22	9.61	11.83
Utah............................	1.41	5.71	7.12
Vermont.........................	1.59	4.74	6.33
Virginia........................	2.65	6.26	8.91
Virgin Islands..................	2.33	3.32	5.64
Washington......................	2.12	9.61	11.73
West Virginia...................	1.83	8.82	10.64
Wisconsin.......................	2.57	6.74	9.32
Wyoming.........................	2.73	5.92	8.65

U.S. average....................	2.50	8.19	10.69

Note: Underpayment and overpayment rates may not add to combined rates due to rounding.

Source: Food Stamp Quality Control Annual Report, Fiscal Year 1992.

INTERACTION WITH CASH ASSISTANCE PROGRAMS

The Food Stamp program is intertwined with cash assistance in two ways: it is administratively linked to cash welfare aid at the State and local levels, and its recipient population is made up largely of recipients of other government benefits.

At the State and local levels, the Food Stamp program is administered by the same welfare offices and personnel that administer cash assistance such as AFDC and general assistance. And joint food stamp/cash welfare application and interview procedures are the general rule. This coadministration does not apply for most elderly or disabled persons, whose SSI cash assistance is typically administered through Social Security Administration offices, although these offices do provide limited intake services for the Food Stamp program.

For most persons participating in the Food Stamp program, food stamp aid represents a second or third form of government payment. Fewer than 20 percent of food stamp households rely solely on nongovernmental sources for their cash income, although over 25 percent have some income from these sources (e.g., earnings, private retirement income). According to quality control data, the AFDC program contributes to the income of about 41 percent of food stamp households, and for almost all of them AFDC is their only cash income. SSI benefits go to some 19 percent of food stamp households, and almost one-third have no other income. About 20 percent of food stamp households receive social security or veterans benefits. And nearly 15 percent are paid general assistance, unemployment insurance, or workers' compensation benefits.

TABLE 18-8.--CHARACTERISTICS OF FOOD STAMP HOUSEHOLDS: 1980-91

[In percent]

	Year and month survey was conducted											
Food stamp recipient households	1980 (Aug.)	1981 (Aug.)	1982 (Aug.)	1983 (Feb.)	1984 (Aug.)	1985 (Summer)	1986 (Summer)	1987 (Summer)	1988 (Summer)	1989 (Summer)	1990 (Summer)	1991 (Summer)
With gross monthly income:												
Below the Federal poverty levels......	87	90										

			95	93	93	94	93	94	92	92	92	91
Between the poverty levels and 130 percent of the poverty levels........	10	9	5	7	6	6	6	6	8	8	8	9
Above 130 percent of the poverty levels..............................	2	1	*	*	1	*	*	*	*	*	*	*
With earnings.............................	19	20	18	20	19	20	21	21	20	20	19	20
With public assistance income\1\..........	65	69	69	75	71	68	69	74	72	73	73	70
With AFDC income......................	NA	40	42	50	42	39	38	41	42	42	43	41
With SSI income.......................	18	19	18	18	18	19	18	21	20	21	19	19
With children.............................	60	56	58	68	61	59	61	61	61	60	61	61
And female heads of household.........	NA	43	45	52	47	46	48	50	50	50	51	51
With elderly members\2\...................	23	21	20	18	22	21	20	21	19	20	18	17
With elderly female heads of household\2\.........................	NA	14	14	12	16	16	15	15	14	14	11	10
Average household size....................	2.8	2.7	2.8	2.9	2.8	2.7	2.7	2.7	2.6	2.6	2.6	2.6

\1\Public assistance income includes AFDC, SSI, and general assistance.

\2\Elderly members and heads of household include those age 60 or older.

*Less than 0.5 percent.

Source: U.S. Department of Agriculture (Food and Nutrition Service) surveys of the characteristics of food stamp households.

Compiled by the Congressional Research Service.

FOOD STAMP RECIPIENCY RATES

Table 18-9 shows gross food stamp participation or recipiency rates using three different measures for the United States from 1975 to 1993. The actual number of food stamp participants has fluctuated widely over the last 18 years, reaching its highest average monthly level of 27 million (not including Puerto Rico) in 1993. As a percentage of the total U.S. resident population, food stamp participation rose significantly from a rate of 8.1 participants per 100 persons in 1975 to 10.4 percent in 1993. In the poor and pretransfer poor populations, the food stamp participation rates in 1991 were 63.3 and 59.3 percent respectively. ``Pretransfer poor'' is defined as income including Social Security and other social insurance benefits but not including means-tested benefits in relationship to the poverty thresholds.

A recent report by the U.S. Department of Agriculture, entitled ``Food Stamp Program Participation Rates: January 1989,'' provides a more refined analysis of Food Stamp program participation rates and the extent to which the program is serving its target population. The report estimates that 59 percent of individuals eligible for food stamps participated, and that 56 percent of eligible households participated. Those households received 66 percent of benefits payable if all eligible households had been enrolled. In addition, particular subgroups of the eligible population participated at different rates. Among groups defined by monthly income levels, participation rates were highest for those with the lowest income and declined as income levels rose. Participation rates were 81 percent for those with income below half the Federal poverty guidelines, 68 percent for those with income between half the guidelines and the guidelines themselves, and 17 percent for those with incomes above the poverty thresholds. Demographic groups also showed different participation rates. Eligible elderly households participated at a rate of 29 percent, while households composed of single adult females with children were enrolled the at rate of 78 percent and 90 percent of eligible disabled nonelderly adult households participated.

TABLE 18-9.--FOOD STAMP PARTICIPATION RATES IN THE UNITED STATES, 1975-93

Food stamp participation as percent of--

Year	Number of food stamp participants (in millions)	Total population\1\	Poor population\2\	Pre-transfer poor population\3\
1975	16.3	7.6	63.0	NA
1976	17.0	7.9	68.1	NA
1977	15.6	7.2	63.1	NA
1978	14.4	6.5	58.8	NA
1979	15.9	7.1	61.0	57.1
1980	19.2	8.4	65.6	60.7
1981	20.6	9.0	64.7	60.8
1982	20.4	8.8	59.3	56.3
1983	21.6	9.2	61.2	58.5
1984	20.9	8.8	62.0	58.5
1985	19.9	8.3	60.2	56.6
1986	19.4	8.0	59.9	56.2
1987	19.1	7.8	59.1	55.6
1988	18.7	7.6	58.9	55.2
1989				

	18.8	7.6	59.6	55.6
1990	20.0	8.0	59.6	55.7
1991	22.6	9.0	63.3	59.3
1992	25.4	10.0	68.9	64.0
1993	27.0	10.4	NA	NA

\1\Total U.S. resident population was 258.4 million at the end of fiscal year 1993.
\2\Data on the U.S. poor population can be found in appendix J, table 3.
\3\Data on the U.S. pretransfer poor population can be found in appendix J, table 15, and previous editions of the Green Book. ``Pretransfer'' is defined as after social insurance income (including Social Security) but before receipt of any means-tested transfers.
NA--not available.

Note: Puerto Rico not included in table.

Table 18-10 shows the number of people (in thousands) who received food stamp benefits in each State, including the District of Columbia, Puerto Rico, and the territories, for selected fiscal years between 1975 and 1993. The number of recipients varies greatly by State; in 1993, the number of beneficiaries ranged from 13,000 to 18,000 in the territories and 34,000 in Wyoming to 2.9 million in California. In nearly all States, there was a significant increase between 1975 and 1993. This is reflected in the total number of enrollees, which increased from 17.4 million persons (plus 1.8 million in Puerto Rico) in 1975, to 27 million people (plus 1.4 million in

Puerto Rico) in 1993.\16\

\16\The 17.4 million person enrollment for food stamps in 1975 differs from the 16.3 million person participation level noted in table 9 because it represents year-end enrollment as opposed to annual average participation. The same is true for 1979, for which table 10 shows enrollment of 17.1 million persons (excluding Puerto Rico), and table 9 shows 15.9 million persons. State-by-State participation for 1975 and 1979 is not available on an annual average basis.

TABLE 18-10.--FOOD STAMP RECIPIENTS, BY STATE: SELECTED YEARS, 1975-93

[Thousands of persons]

State	Fiscal years 1975\1\	1979\2\	1985\3\	1989\3\	1990\3\	1991\3\	1992\3\	1992\3\
Alabama.................	393	525	588	436	449	504	550	560
Alaska..................	12	25	22	26	25	30	38	43
Arizona.................	166	129	206					

				264	317	388	457	489
Arkansas................	268	277	253	227	235	258	277	285
California..............	1,517	1,334	1,615	1,773	1,936	2,212	2,558	2,866
Colorado................	162	145	170	211	221	241	260	273
Connecticut.............	189	155	145	114	133	171	202	215
Delaware................	39	45	40	30	33	41	51	58
District of Columbia....	112	100	72	58	62	72	82	87
Florida.................	767	828	630	668	781	1,021	1,404	1,500
Georgia.................	569	559	567	485	536	648	751	807
Hawaii..................	84	96	99	78	77	83	94	103
Idaho...................	39	47	59	61	59	65	72	79
Illinois................	948	837	1,110	990	1,013	1,096	1,156	1,178
Indiana.................	255	275	406	285	311	375	448	497
Iowa....................	118	117	203	168	170	180	192	196
Kansas..................	63	73	119	128	142	156	175	188
Kentucky................	449	405	560	447	458	496	529	530
Louisiana...............	502	523	644	725	727	742	779	779
Maine...................	151	121	114	84	94	116	133	138
Maryland................	273	299	291	249	254	304	343	375

Massachusetts...........	560	429	337	314	347	397	429	443
Michigan................	685	706	985	874	917	978	994	1,022
Minnesota...............	191	143	228	245	263	286	309	317
Mississippi.............	390	452	495	493	499	520	536	537
Missouri................	299	280	362	404	431	490	549	591
Montana.................	38	33	58	56	57	61	66	70
Nebraska................	50	55	94	92	95	99	107	113
Nevada..................	34	27	32	41	50	63	80	93
New Hampshire...........	66	44	28	22	31	47	58	60
New Jersey..............	565	524	464	353	381	441	495	531
New Mexico..............	154	159	157	151	157	188	221	244
New York................	1,398	1,704	1,834	1,463	1,546	1,717	1,885	2,045
North Carolina..........	537	517	474	390	419	517	597	627
North Dakota............	19	20	33	39	39	41	46	48
Ohio....................	924	760	1,133	1,068	1,078	1,171	1,251	1,269
Oklahoma................	184	184	263	261	267	296	346	370
Oregon..................	208	160	228	213	216	240	265	283
Pennsylvania............	893	923	1,032	916	954	1,052	1,137	1,186
Rhode Island............	104	80	69	57	64	78	87	92

South Carolina..........	421	369	373	272	299	329	369	394
South Dakota............	31	37	48	50	50	52	55	56
Tennessee...............	435	531	518	500	527	608	702	774
Texas...................	1,085	1,027	1,263	1,636	1,880	2,155	2,454	2,659
Utah....................	50	44	75	95	99	110	123	133
Vermont.................	46	40	44	34	38	47	54	58
Virginia................	293	320	360	333	346	414	495	535
Washington..............	239	205	281	283	337	385	432	462
West Virginia...........	204	182	278	259	262	281	310	322
Wisconsin...............	163	171	363	291	286	294	334	337
Wyoming.................	11	11	27	27	28	31	33	34
Guam....................	21	18	20	13	12	11	20	13
Northern Marianas.......	NA	NA	4	4	4	2	2	3
Puerto Rico.............	1,800	1,822	1,480	1,460	1,480	1,490	1,480	1,440
Virgin Islands..........	25	34	32	16	18	15	16	18
Total.............	19,199	18,926	21,385	20,232	21,510	24,105	26,888	28,426

\1\Yearend participation, July 1975. Total does not match totals in other tables, which are annual average participation.

\2\Yearend participation, September 1979. Total does not match totals in other tables, which are annual average participation. During fiscal year 1979, and into 1980, participation increases were largely due to the elimination of the food stamp purchase requirement. Figures for Alabama and Mississippi are estimates.

\3\Annual average participation.

Source: U.S. Department of Agriculture, Food and Nutrition Service.

LEGISLATION

In the early 1980s, Congress enacted major revisions to the food stamp program to hold down costs and tighten administrative rules. The Omnibus Budget Reconciliation Act of 1981, the Agriculture and Food Act of 1981, and the Omnibus Budget Reconciliation Act of 1982 all contained amendments that the Congressional Budget Office has estimated held food stamp spending for fiscal years 1982 through 1985 nearly $7 billion (13 percent) below what would have been spent under pre-1981 law. These laws delayed various inflation indexing adjustments, reduced the maximum benefit guarantee by 1 percent (restored in 1984), established income eligibility ceilings at 130 percent of the Federal poverty levels, initiated prorating of first-month benefits, replaced the food stamp program in Puerto Rico with a nutrition assistance block grant, reduced benefits for those with earnings and high shelter expenses, ended eligibility for most postsecondary students and strikers, and raised fiscal penalties for States with high rates of erroneous benefit and eligibility determinations.

In 1985, the Food Security Act (P.L. 99-198) reauthorized food stamp appropriations through fiscal year 1990 and reversed the earlier trend, significantly liberalizing food stamp rules. Major new initiatives included: a requirement for States to implement employment and training programs for food stamp recipients, automatic food stamp eligibility for AFDC and SSI recipients, and a prohibition on collection of sales taxes on food stamp purchases. Benefits were raised for some disabled and those with earnings, high shelter costs, and dependent care costs. Puerto Rico's nutrition assistance block grant was increased. Eligibility standards were liberalized, primarily by increasing and easing limits on assets. This was followed by several laws in 1986 and 1987 that opened up access to and increased benefits for the homeless, liberalized treatment of student aid, energy assistance, and income received from employment programs for the elderly and charitable organizations, further added to benefits for those with high shelter costs, and allowed Washington State to operate a special AFDC/food stamp demonstration project (followed by similar authorization for Minnesota in 1989).

Legislation expanding eligibility and benefits continued into 1988 and 1989. The Hunger Prevention Act of 1988 (P.L. 100-435) increased food stamp benefits across the board, liberalized several eligibility and benefit rules, eased program access and administrative rules, and restructured the employment and training program and quality control system. The across-the-board benefit increase in maximum benefits (above normal inflation adjustments) called for by the act was 0.65 percent in fiscal year 1989, 2.05 percent in fiscal year 1990, and 3 percent in later years. Eligibility and benefit liberalizations included higher benefits for those with dependent care expenses, extension of liberal treatment for disabled applicants and recipients to new categories of disability, addition of a new income disregard for earned income tax credits, and liberalized treatment for farm households. Major provisions pertaining to program access and administration authorized 50-percent Federal cost sharing for State-option outreach activities, required coordination with cash welfare program application procedures, loosened rules governing monthly reporting and retrospective budgeting, allowed training of community volunteers to help screen applicants, and required, in some instances, issuance of the first 2 months' worth of benefits in a single allotment. Employment and training rules were revised by allowing some expansion in the types of activities supported (e.g., basic skills education), requiring increased support for participants' dependent care expenses, and mandating new performance standards for States. Finally, the food stamp quality control system was completely revamped to substantially reduce fiscal sanctions on States for erroneous benefit determinations, retroactively to fiscal year 1986.

The 1990 Food, Agriculture, Conservation, and Trade Act (P.L. 101-624) reauthorized food stamp appropriations through fiscal year 1995. Although early versions of this act would have significantly liberalized food stamp eligibility and benefit rules, budget constraints dictated minimal expansions: limited revisions for postsecondary students, forgiveness of most pre-1986 quality control fiscal sanctions on States, a few changes in administrative rules to open up program access and strengthen penalties for trafficking, and new pilot projects and study commissions for welfare program coordination. In addition, other laws eliminated a special requirement for single food stamp/SSI applications for those about to be discharged from institutions and barred the food stamp program from counting (as a liquid asset) lump-sum earned income tax credit payments.

Most recently, the Mickey Leland Childhood Hunger Relief Act (incorporated in the 1993 Omnibus Budget Reconciliation Act, P.L. 103-66) increased food stamp benefits and eased eligibility rules by: increasing and then removing the limit on special benefit adjustments (deductions) for households with very high shelter expenses, ending a practice of reducing benefits when there are short ``procedural'' breaks in enrollment, disregarding child support payments as income to the payor, increasing the degree to which vehicles are disregarded as assets in judging eligibility, revising the definition of a food stamp household to allow more persons who live together to apply separately, increasing the degree to which dependent care expense deductions can be claimed, expanding the degree to which Earned Income Tax Credits are disregarded as assets and State/local general assistance is disregarded as income, and boosting Puerto Rico's block grant.

The Act also lowered the Federal share of some State administrative expenses (to 50 percent), reduced quality control fiscal penalties on States with high rates of erroneous benefit and eligibility determinations, and liberalized the appeals process for those penalties. Finally, it expanded support for employment and training programs for food stamp recipients, added a new method for collecting claims against recipients, and increased penalties related to trafficking in food stamps. The net cost of the 1993 amendments was estimated at $2.5 billion over fiscal years 1994-98.

TABLE 18-11.--HISTORICAL FOOD STAMP STATISTICS

Fiscal year	Total Federal spending (in millions)\1\: Current dollars	Total Federal spending (in millions)\1\: Constant (1993) dollars\3\	Average monthly participation (in millions of persons)	Average monthly benefits (per person): Current dollars	Average monthly benefits (per person): Constant (1993) dollars\3\	4-person maximum monthly allotment\2\
1972\4\	$1,871	$6,242	11.1	$13.50	$45.00	$108
1973	2,211	6,865	12.2	14.60	45.00	112
1974	2,843	7,370	12.9	17.60	45.20	116
1975\5\	4,624	10,922				

			17.1	21.40	50.10	150
1976	5,692	12,718	18.5	23.90	52.80	162
Transition quarter\6\	1,367	3,000	17.3	24.40	52.90	166
1977	5,469	11,707	17.1	24.70	52.40	166
1978	5,573	10,947	16.0	26.80	52.00	170
1979\7\	6,995	12,326	17.7	30.60	53.20	182
1980	9,188	14,883	21.1	34.40	55.40	204
1981	11,308	16,824	22.4	39.50	58.50	209
1982\8\	11,117	15,947	22.0	39.20	56.10	233
1983\8\	12,733	17,985	23.2	43.00	60.60	253
1984\8\	12,470	16,989	22.4	42.70	58.10	253
1985\8\	12,599	16,893	21.4	45.00	60.30	264
1986\8\	12,528	16,412	20.9	45.50	59.60	268
1987\8\	12,539	15,710	20.6	45.80	57.30	271
1988\8\	13,289	16,106	20.1	49.80	60.30	290
1989\8\	13,815	15,664	20.2	51.90	58.60	300
1990\8\	16,512	17,739	21.5	59.00	63.10	331
1991\8\	19,765	20,589	24.1	63.90	65.80	352
1992\8\	23,539	24,027	26.9	68.50	69.90	370
1993\8\	24,806	24,806	28.4	68.00	68.00	375

\1\Spending for benefits and administration, including Puerto Rico.
\2\For the 48 contiguous States and the District of Columbia, as in effect at the beginning of the fiscal year in current dollars.
\3\Constant dollar adjustments were made using the overall Consumer Price Index for All Urban Consumers (CPI-U) for administrative costs and the CPI-U ``food at home'' component for benefits.
\4\The first fiscal year in which benefit and eligibility rules were, by law, nationally uniform and indexed for inflation.
\5\The first fiscal year in which food stamps were available nationwide.
\6\July through September 1976.
\7\The fiscal year in which the food stamp purchase requirement was eliminated, on a phased in basis.
\8\Includes funding for Puerto Rico's nutrition assistance grant; earlier years include funding for Puerto Rico under the regular food stamp program. Participation figures include enrollment in Puerto Rico (averaging 1.4 to 1.5 million persons a month under the nutrition assistance grant and higher figures in earlier years). Average benefit figures do not reflect somewhat lower benefits in Puerto Rico under its nutrition assistance grant.

Note: Figures in this table have been revised from similar tables presented in earlier versions of this print to reflect more recent spending information and more precise inflation adjustments for constant dollar amounts.

Source: Compiled by the Congressional Research Service.

MEDICAID\17\

Medicaid, authorized under title XIX of the Social Security Act, is a Federal-State matching entitlement program providing medical assistance for low-income persons who are aged,

blind,
disabled, members of families with dependent children and certain other pregnant women and children. Within Federal guidelines, each State designs and administers its own program.
Thus there is substantial variation among the States in terms
of persons covered, types and scope of benefits offered, and
amounts of payments for services.

\17\For further information on the Medicaid program see: U.S.
Congress, House Committee on Energy and Commerce, Medicaid Source Book:
Background Data and Analysis (A 1993 Update), Energy and Commerce
Committee Print 103-A. U.S. Govt. Print. Off. January 1993.

Medicaid eligibility is generally linked to eligibility under programs within the jurisdiction of the Committee on Ways
and Means, namely AFDC and SSI. Further, some poor aged persons
are covered under both the Medicare and Medicaid programs.

ELIGIBILITY

Eligibility for Medicaid has traditionally been linked to
actual or potential receipt of cash assistance under the Aid to
Families with Dependent Children (AFDC) or Supplemental Security Income (SSI) programs. Legislation in the last decade
has gradually extended coverage to low-income pregnant women
and children who have no ties to the welfare system, and

has provided partial coverage for new groups of low-income Medicare beneficiaries.

Medicaid is available to two broad classes of eligible persons: the ``categorically needy'' and the ``medically needy.'' The two terms once distinguished between welfare-related beneficiaries and those qualifying only under special Medicaid rules. However, nonwelfare groups have been added to the ``categorically needy'' list over the years. As a result, the terms are no longer especially helpful in sorting out the various populations for whom mandatory or optional Medicaid coverage has been made available, and some analysts believe they should be abandoned. However, the distinction between the categorically and medically needy is still an important one, because the scope of covered services that States must provide to the categorically needy is much broader than the minimum scope of services for the medically needy.

All States must cover certain mandatory groups of categorically needy individuals.\18\ Coverage of additional categorically needy groups is optional, as is coverage of the medically needy. The following discussion describes the mandatory and optional categorically eligible groups within each of the two basic populations served by Medicaid: families with children and the aged, blind, and disabled. The medically needy are discussed separately at the end of this section.

\18\Arizona does not operate a traditional Medicaid program. Since 1982 it has operated a federally assisted medical

assistance program
for low-income persons under a demonstration waiver.

FAMILIES AND CHILDREN

AFDC-related groups

Mandatory.--States must provide Medicaid to all persons receiving cash assistance under AFDC, as well as to additional AFDC-related groups who are not actually receiving cash payments. These groups include: persons who do not receive a payment because the amount would be less than $10; persons whose payments are reduced to zero because of recovery of previous overpayments; certain work supplementation participants; certain children for whom adoption assistance agreements are in effect or for whom foster care payments are being made under title IV-E of the Social Security Act; and persons ineligible for AFDC because of a requirement that may not be imposed under Medicaid.

States are required to continue Medicaid for specified periods for certain families losing AFDC benefits after receiving them in at least 3 of the preceding 6 months. If the family loses AFDC benefits because of increased income from earnings or hours of employment, Medicaid coverage must be extended for 12 months. (During the second 6 months a premium may be imposed, the scope of benefits may be limited, or alternate delivery systems may be used.) If the family loses AFDC because of increased child or spousal support, coverage must be extended for 4 months. States are also required to furnish Medicaid to certain two-parent families whose principal earner is unemployed and who are not receiving cash assistance because the State is one of those permitted (under the Family Support Act of 1988) to set a time limit on AFDC coverage for such families.

Optional.--States are permitted, but not required, to provide coverage to additional AFDC-related groups. The most important of these are the ``Ribicoff children,'' whose income and resources are within AFDC standards but who do not meet the definition of ``dependent child.'' States may cover these children up to a maximum age of 18, 19, 20, or 21, at the State's option, and may limit coverage to reasonable subgroups, such as children in privately subsidized foster care, or those who live in certain institutional settings. States may also furnish Medicaid to persons who would receive AFDC if the State's AFDC program were as broad as permitted under Federal law.

Non-AFDC pregnant women and children

Beginning in 1986, Congress has extended Medicaid to groups of pregnant women and children who are defined in terms of family income and resources, rather than in terms of their ties to the AFDC program.

Mandatory.--States are required to cover pregnant women and children under age 6 with family incomes below 133 percent of the Federal poverty income guidelines. (The State may impose a resource standard that is no more restrictive than that for

SSI, in the case of pregnant women, or AFDC, in the case of children.) Coverage for pregnant women is limited to services related to the pregnancy or complications of the pregnancy; children receive full Medicaid coverage.

Since July 1, 1991, States have been required to cover all children who are under age 19, who were born after September 30, 1983, and whose family income is below 100 percent of the Federal poverty level. (Coverage of such children through age 7 has been optional since OBRA 1987.) The 1983 start date means that coverage of 18-year-olds will take effect during fiscal year 2002.

Optional.--States are permitted, but not required, to cover pregnant women and infants under one year old with incomes below a State-established maximum that is above 133 percent of the poverty level but no more than 185 percent. As of July 1993, 34 States had made use of this option; 25 had set their income limits at the maximum of 185 percent.

AGED AND DISABLED PERSONS

SSI-related groups

Mandatory.--States are generally required to cover recipients of SSI. However, States may use more restrictive eligibility standards for Medicaid than those for SSI if they were using those standards on January 1, 1972 (before the implementation of SSI). States that have chosen to apply at least one more restrictive standard are known as ``section 209(b)'' States, after the section of the Social Security Amendments of 1972 (Public Law 92-603) that established the option. These States may vary in their definition of disability, or in their standards related to income or resources. There are 12 section 209(b) States:

Connecticut	Minnesota	North Dakota
Hawaii	Missouri	Ohio
Illinois	New Hampshire	Oklahoma
Indiana	North Carolina	Virginia

States using more restrictive income standards must allow applicants to deduct medical expenses from income (not including SSI or State supplemental payments, SSP) in determining eligibility. This process is known as ``spenddown.'' For example, if an applicant has a monthly income of $400 (not including any SSI or SSP) and the State's maximum allowable income is $350, the applicant would be required to incur $50 in medical expenses before qualifying for Medicaid. As will be discussed below, the spenddown process is also used in establishing medically needy eligibility.

States must continue Medicaid coverage for several defined groups of individuals who have lost SSI or SSP eligibility. The ``qualified severely impaired'' are disabled persons who have returned to work and have lost eligibility as a result of employment earnings, but still have the condition that originally rendered them disabled and meet all non-disability criteria for SSI except income. Medicaid must be continued if such an individual needs continued medical assistance to continue employment and the individual's earnings are insufficient to provide the equivalent of SSI, Medicaid, and attendant care benefits the individual would qualify for in the absence of earnings. States must also continue Medicaid coverage for persons who were once eligible for both SSI and Social Security payments and who lose SSI because of a cost of living adjustment (COLA) in their Social Security benefits. Similar Medicaid continuations have been provided for certain other persons who lose SSI as a result of eligibility for or increases in Social Security or veterans' benefits. Finally, States must continue Medicaid for certain SSI-related groups who received benefits in 1973, including ``essential persons'' (persons who care for a disabled individual).

Optional.--States are permitted to provide Medicaid to individuals who are not receiving SSI but are receiving State-only supplementary cash payments.

Qualified Medicare beneficiaries and related groups

Mandatory.--Effective January 1, 1991, States must provide limited Medicaid coverage for ``qualified Medicare beneficiaries'' (QMBs). These are aged and disabled persons who are receiving Medicare, whose income is below 100 percent of the Federal poverty level, and whose resources do not exceed twice the allowable amount under SSI. States must pay Medicare part B premiums (and, if applicable, part A premiums) for QMBs, along with required Medicare coinsurance and deductible amounts.

Effective January 1, 1993, all States must pay part B premiums (but not part A premiums or part A or B

coinsurance
and deductibles) for beneficiaries who would be QMBs except that their incomes are between 100 percent and 110 percent of
the poverty level; the upper limit rises to 120 percent on January 1, 1995.

States are also required to pay part A premiums, but no other expenses, for ``qualified disabled and working individuals.'' These are persons who formerly received Social
Security disability benefits and hence Medicare, have lost eligibility for both programs, but are permitted under Medicare
law to continue to receive Medicare in return for payment of
the part A premium. Medicaid must pay this premium on behalf of
such individuals who have incomes below 200 percent of poverty
and resources no greater than twice the SSI standard.

Optional.--States are permitted to provide full Medicaid
benefits, rather than just Medicare premiums and cost-sharing,
to QMBs who meet a State-established income standard that is no
higher than 100 percent of the Federal poverty level.

Institutionalized persons and related groups (all optional)

States may provide Medicaid to certain otherwise ineligible
groups of persons who are in nursing facilities or other institutions, or who would require institutional care if they
were not receiving alternative services at home or in the community.

States may establish a special income standard for institutionalized persons, not to exceed 300 percent of the maximum SSI benefits payable to a person who is living at home and has no other resources. States may also provide Medicaid to persons who would qualify for SSI but for the fact that they are in an institution.

A State may obtain a waiver under section 2176 of OBRA 1981 to provide home and community-based services to a defined group of individuals who would otherwise require institutional care. Persons served under such a waiver may receive Medicaid coverage if they would be eligible if in an institution. Such individuals may also be covered in a State that terminates its waiver program in order to take advantage of a new, no-waiver home and community-based services option created by OBRA 1990.

A State may also provide Medicaid to several other classes of persons who need the level of care provided by an institution and would be eligible if they were in an institution. These include children who are being cared for at home, persons of any age who are ventilator-dependent, and persons receiving hospice benefits in lieu of institutional services.

THE MEDICALLY NEEDY (ALL OPTIONAL)

Forty-one States and other jurisdictions provide Medicaid to at least some groups of ``medically needy'' persons. These are persons who meet the nonfinancial standards for inclusion in one of the groups covered under Medicaid, but who do not meet the applicable income or resource requirements for categorically needy eligibility. The State may establish

higher
income or resource standards for the medically needy. In addition, individuals may spend down to the medically needy standard by incurring medical expenses, in the same way that
SSI recipients in section 209(b) States may spend down to Medicaid eligibility. For the medically needy, spenddown may
involve the reduction of assets, as well as of income.

The State may set its separate medically needy income standard for a family of a given size at any level up to 133\1/
3\ percent of the maximum payment for a similar family under
the State's AFDC program. States may limit the groups of individuals who may receive medically needy coverage. If the
State provides any medically needy program, however, it must
include all children under 18 who would qualify under one of
the mandatory categorically needy groups, and all pregnant women who would qualify under either a mandatory or optional
group, if their income or resources were lower.

As of October 1, 1993, the following States covered some
groups of the medically needy:

American Samoa	Maryland	Pennsylvania
Arkansas	Massachusetts	Puerto Rico
California	Michigan	Rhode Island
Connecticut	Minnesota	Tennessee
District of Columbia	Montana	Texas
Florida	Nebraska	Utah
Georgia	New Hampshire	Vermont
Hawaii	New Jersey	Virgin

		Islands
Illinois	New York	Virginia
Iowa	North Carolina	Washington
Kansas	North Dakota	West Virginia
Kentucky	Northern Mariana Islands	Wisconsin
Louisiana	Oklahoma	
Maine	Oregon	

MEDICAID AND THE POOR

In 1992, Medicaid covered 11.2 percent of the total U.S. population (excluding institutionalized persons) and 47 percent of those with incomes below the Federal poverty level. Because categorical eligibility requirements for children are less restrictive than those for adults, poor children are much more likely to receive coverage. Table 18-12 shows Medicaid eligibility by age and income status in 1992, as reported in the March 1993 Current Population Survey (CPS) conducted by the Census Bureau. Note that persons shown as receiving Medicaid may have had other health coverage as well. Nearly all the elderly, for example, have Medicare and/or private coverage.

Children under age 6 with family incomes below poverty are most likely to be covered. Coverage rates drop steadily with age and income until age 65.

TABLE 18-12.--MEDICAID COVERAGE BY AGE AND INCOME STATUS, 1992

[All numbers are in thousands]

Age	Medicaid	Total	Percent with Medicaid
Poor:			
0 to 5......................	4,458	6,046	73.7
6 to 18.....................	5,419	9,220	58.8
19 to 44....................	4,988	13,201	37.8
45 to 64....................	1,349	4,431	30.4
65 and over.................	1,205	3,983	30.2
Total.....................	17,419	36,880	47.2
Family income between 100 and 133 percent of poverty:			
0 to 5......................	726	1,693	42.9
6 to 18.....................	865	3,246	26.6
19 to 44....................	968	5,708	17.0
45 to 64....................	412	2,176	18.9
65 and over.................	564	3,004	18.8

Total	3,534	15,827	22.3
Family income between 133 percent and 185 percent of poverty:			
0 to 5	737	2,690	27.4
6 to 18	706	5,251	13.4
19 to 44	891	9,847	9.0
45 to 64	293	3,619	8.1
65 and over	426	4,644	9.2
Total	3,053	26,051	11.7
Family income greater than 185 percent of poverty:			
0 to 5	888	13,079	6.8
6 to 18	966	28,879	3.3
19 to 44	1,363	74,489	1.8
45 to 64	468	39,524	1.2
65 and over	720	19,240	3.7
Total	4,405	175,211	2.5

All individuals:			
0 to 5	6,809	23,508	29.0
6 to 18	7,956	46,596	17.1
19 to 44	8,210	103,245	8.0
45 to 64	2,522	49,750	5.1
65 and over	2,914	30,870	9.4
Total	28,411	253,969	11.2

Source: Current Population Survey (CPS), Annual March Income Supplement.

Table prepared by CRS. The table excludes persons in institutions and approximately 300,000 children under age 15 whose income was not reported. The Medicaid counts are lower than those reported by HCFA, because some beneficiaries fail to report their coverage on the CPS. Some may also underreport their income. In addition, the income used to determine poverty status in this table includes cash welfare, while Medicaid eligibility is based on income prior to the receipt of welfare benefits.

SERVICES

States are required to offer the following services to categorically needy recipients under their Medicaid programs: inpatient and outpatient hospital services; laboratory and

X-ray services; nursing facility (NF) services for those over age 21; home health services for those entitled to NF care; early and periodic screening, diagnosis, and treatment (EPSDT) for those under age 21; family planning services and supplies; physicians' services, and nurse-midwife services. OBRA 1989 required States to provide ambulatory services offered by federally qualified health centers, effective April 1, 1990, and services furnished by certified family or pediatric nurse practitioners, effective July 1, 1990. States may also provide additional medical services such as drugs, eyeglasses, inpatient psychiatric care for individuals under age 21 or over 65 (see table 25). OBRA 1990 added two new optional services: home and community-based services for the functionally disabled elderly and community supported living arrangement services for the developmentally disabled. Total expenditures under these services are capped. States are permitted to establish limitations on the amount of care provided under a service category (such as limiting the number of days of covered hospital care or number of physicians' visits). Certain services to children may not be limited.

Federal law establishes the following requirements for coverage of the medically needy: (1) if a State provides medically needy coverage to any group it must provide ambulatory services to children and prenatal and delivery services for pregnant women; (2) if a State provides institutional services for any medically needy group it must also provide ambulatory services for this population group; and

(3) if the State provides medically needy coverage for persons in intermediate care facilities for the mentally retarded (ICF/MRs) or institutions for mental diseases, it must offer to all groups covered in its medically needy program the same mix of institutional and noninstitutional services as required under prior law (that is, either all of the mandatory services or alternatively the care and services listed in 7 of the 25 paragraphs in the law defining covered services).

FINANCING

The Federal Government helps States share in the cost of Medicaid services by means of a variable matching formula which is adjusted annually. The matching rate, which is inversely related to a State's per capita income, can range from 50 percent to 83 percent though currently the highest rate is 78.85 percent. Federal matching for the territories is set at 50 percent with a maximum dollar limit placed on the amount each territory can receive. The Federal share of administrative costs is 50 percent for all States except for certain items where the authorized rate is higher.

REIMBURSEMENT POLICY

States establish their own service reimbursement policies within general Federal guidelines. OBRA 1989 codified the regulatory requirement that payments must be sufficient to enlist enough providers so that covered services will be available to Medicaid beneficiaries at least to the extent they are available to the general population in a geographic

area.
Beginning April 1, 1990, States are required to submit to the Secretary their payment rates for pediatric and obstetrical services along with additional data that will assist the Secretary in evaluating the State's compliance with this requirement.

Until 1980, States were required to follow Medicare rules in paying for institutional services. The Boren amendment, enacted with respect to nursing homes in 1980 and extended to hospitals in 1981, authorized States to establish their own payment systems, as long as rates were reasonable and adequate to meet the costs of efficiently and economically operated facilities. Rates for hospitals must also be sufficient to assure reasonable access to inpatient services of adequate quality. A Supreme Court ruling in 1990, Wilder v. Virginia Hospital Association, affirmed that hospitals have the right under this rule to seek Federal court review of State reimbursement levels. Suits alleging inadequate hospital and nursing home payment have been filed in a number of States.

In addition to meeting general adequacy tests, State hospital reimbursement systems must provide for additional payments to facilities serving a disproportionate share of low-income patients. Unlike the comparable Medicare payments, Medicaid payments must follow a formula that considers a hospital's charity patients as well as its Medicaid caseload.

OBRA 1990 established new rules for Medicaid reimbursement of prescription drugs. The law denies Federal matching funds for drugs manufactured by a firm that has not agreed to provide rebates. Under amendments made by the Veterans Health Care Act of 1992, a manufacturer is not deemed to have a rebate agreement unless the manufacturer has entered into a master agreement with the Secretary of Veterans Affairs. Rebate amounts vary depending on the nature of the drug. The minimum rebate is 11 percent of the average price. OBRA 1990 established a 4-year moratorium on reductions in most payment rates for pharmacists.

Practitioners and providers are required to accept payments under the program as payment in full for covered services except where nominal cost-sharing charges may be required. States may generally impose such charges with certain exceptions. They are precluded from imposing such charges on services for children under 18, services related to pregnancy, family planning or emergency services, HMO services for the categorically needy, and services provided to NF inpatients who are required to spend all of their income for medical care except for a personal needs allowance.

ADMINISTRATION

Medicaid is a State-administered program. At the Federal level, the Health Care Financing Administration (HCFA) of the Department of Health and Human Services is responsible for overseeing State operations.

Federal law requires that a single State agency be charged with administration of the Medicaid program. Generally, that agency is either the State welfare agency, the State health agency, or the umbrella human resources agency. The single State agency may contract with other State entities to conduct some program functions. Further, States may process claims for reimbursement themselves or contract with fiscal agents or health insuring agencies to process these claims.

RECENT LEGISLATIVE CHANGES

The following is a summary of the major Medicaid changes enacted as part of the Omnibus Budget Reconciliation Act of 1990 (OBRA 1990), Public Law 101-508:

1. Reimbursement for prescribed drugs.--The law requires manufacturers of prescription drugs to provide rebates to State Medicaid programs. States will be required to cover all the drugs manufactured by a firm entering into a rebate agreement. The minimum rebate is 10 percent of the average manufacturer price for the product. Beginning in 1993, States are required to have prospective (i.e., point-of-sale) and retrospective drug utilization review (DUR) programs, to assure that prescriptions are appropriate and medically necessary. Until the end of 1993, enhanced Federal matching payments are provided for State administrative costs related to the rebate and DUR programs. The law establishes a 4-year moratorium on reductions in most payment rates for pharmacists.

2. Required payment of premiums and cost-sharing for enrollment under group health plans where cost-effective.--Effective January 1, 1991, the law requires States to pay premiums for group health plans for which Medicaid beneficiaries are eligible, when it is cost-effective to do so. Guidelines for determining cost-effectiveness are to be issued by the Secretary. States will pay any cost-sharing required by

a plan and continue to furnish any Medicaid benefits not covered under the plan. Providers under group health plans will be required to accept plan payment as payment in full for Medicaid enrollees.

3. Protection of low-income Medicare beneficiaries.--The law accelerates phase-in of the requirement that States pay Medicare premiums and cost-sharing for QMBs, Medicare beneficiaries with incomes below 100 percent of the Federal poverty level; for all but 5 States, the requirement was effective January 1, 1991. All States must pay part B premiums (but not part A premiums or cost-sharing) for beneficiaries with incomes below 110 percent of the poverty level in 1993 and below 120 percent in 1995.

4. Child health provisions.--Effective July 1, 1991, all States are required to cover children under age 19 who were born after September 30, 1983, and whose family income is below 100 percent of the Federal poverty level. States are required to accept Medicaid applications for mothers and children at locations other than welfare offices, and are required to continue benefits for pregnant women until 2 months after the end of the pregnancy, and for infants through the first year of life. States are required to make additional payments for outlier cases and are prohibited from imposing durational limits on coverage for patients who are under age 1 in any hospital or under age 6 in a disproportionate share hospital.

5. Home and community-based care as optional service.--The law permits States to provide home and community-based services to functionally disabled Medicaid beneficiaries aged 65 or over, effective the later of July 1, 1991, or 30 days after

the
publication of interim rules. States will be permitted to limit
eligibility for the services without waivers and thus to
provide the services without meeting cost-effectiveness tests.
Federal matching payments cannot exceed 50 percent of what it
would have cost to provide Medicare nursing facility care to
the same group of beneficiaries. Total Federal expenditures
will be limited to $580 million over the period fiscal years
1991 to 1995.

6. Community supported living arrangements.--The law
permits between two and eight States to provide community
supported living arrangement services to developmentally
disabled individuals who live with their families or in small
community residential settings, effective the later of July 1,
1991, or 30 days after the publication of interim rules.
Services will include personal assistance, training and
habilitation, and other services needed to help with activities
of daily living. Total Federal expenditures will be limited to
$100 million over the period fiscal years 1991 to 1995.

7. Payments for COBRA continuation coverage.--The
Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA,
Public Law 99-272) provides that employees or dependents
leaving an employee health insurance group in a firm with 20 or
more employees must be offered an opportunity to continue
buying insurance through the group for 18 to 36 months
(depending on the reason for leaving the group). OBRA 1990
permits State Medicaid programs to pay for COBRA continuation
coverage, when it is cost effective to do so, effective January

1, 1991. States may pay premiums for individuals with incomes below 100 percent of poverty and resources less than twice the SSI limit who are eligible for continuation coverage under a group health plan offered by an employer with 75 or more employees.

8. Miscellaneous.--The law establishes demonstration projects in three to four States to test the effect of providing Medicaid to families with incomes below 150 percent of the Federal poverty level that do not meet categorical eligibility requirements, and projects in two States to provide Medicaid coverage for early intervention services for HIV-infected individuals who do not meet disability criteria. The law also includes new measures to ensure the quality of physician services under Medicaid, technical corrections in nursing home reform provisions, and numerous other technical and miscellaneous amendments.

The following is a summary of the major changes enacted in the Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Public Law 102-234.

1. Voluntary contributions and provider-specific taxes.--The law caps Federal matching payments for State Medicaid spending that is financed with revenues from provider donations or taxes. Generally effective January 1, 1992, before the Federal share is computed, a State's expenditures for Medicaid are reduced by revenues received by a State or local government from provider-related donations, and health care related taxes that are not broad based. Broad based taxes are those that

are uniformly imposed on all providers in a class, or all business in a class furnished by the providers. States with non-broad based taxes in effect or approved as of November 22, 1991, are permitted to continue them temporarily, but the taxes may not be increased. States with voluntary contribution programs in effect or reported as of September 30, 1991, for States' fiscal year 1992, may continue them temporarily but may not increase them. During fiscal year 1993-95, Federal matching funds for revenue from voluntary contributions, provider specific taxes, and broad based taxes will be limited to the greater of 25 percent of the State share of Medicaid expenditures or the amount of donations and taxes collected in the State in fiscal year 1992.

Federal matching funds are allowable for certain donations. These are bona fide provider donations that are not related to Medicaid payments to the provider, and donations in the form of payment for outstationing Medicaid eligibility workers. Beginning in fiscal year 1993, the latter type of donations will be limited to 10 percent of a State's Medicaid administrative costs.

2. Payments for disproportionate share hospitals.--The law places an aggregate national cap of 12 percent of Medicaid expenditures on payment adjustments for disproportionate share hospitals (DSH). Beginning with fiscal year 1993, a national

DSH payment limit is projected, and each State receives a DSH allotment for the fiscal year; Federal matching payments will be denied for DSH payments that exceed a State's annual allotment. For the part of fiscal year 1992 beginning on or after January 1, 1992, Federal matching payments will be made only for DSH adjustments paid in accordance with a State plan in effect or submitted by September 30, 1991, or November 26, 1991, if the State has used specific criteria to designate a hospital as DSH. Higher payments are permitted if necessary to meet the minimum adjustments required by Medicaid law.

Two 1991 acts concern enrollment in two health maintenance organizations. The law specifies that no more than 75 percent of the enrollees of an HMO may be Medicaid or Medicare beneficiaries. Public Law 102-276 authorized a waiver of this requirement for the Dayton Area Health Plan. Public Law 102-317 authorized a similar waiver for the Tennessee Primary Care Network.

The following is a summary of major Medicaid changes enacted in the Veterans Health Care Act of 1992, Public Law 102-585, pertaining to Medicaid reimbursement policies for prescription drugs.

1. Calculation of best price.--The law excludes certain prices from calculation of best price (the lowest price available from a manufacturer) for Medicaid drug rebates. The law excludes the prices charged to the Indian Health Service, the Department of Veterans Affairs, veterans' State homes, the Department of Defense, the Public Health Service and

certain
private and nonprofit hospitals, as well as any prices charged
under the Federal Supply Schedule of the General Services Administration or under State pharmaceutical assistance programs.

2. Rebate amounts.--The law changes the minimum basic rebates for brand name drugs to 15.7 percent of the average manufacturer price (AMP) in calendar year 1993, 15.4 percent of
the AMP in 1994, 15.2 percent of the AMP in 1995, and 15.1 percent of the AMP thereafter. In each calendar year, the basic
rebate is the greater of the percentage stated, or the difference between the AMP and the best price.

The following is a summary of major Medicaid changes enacted in the Omnibus Budget Reconciliation Act of 1993 (OBRA
93), Public Law 103-66.

1. Medicaid Fraud Control Units.--The law changed the State
option to a requirement that each State operate a Medicaid fraud and abuse control unit unless the State demonstrates that
effective operation of a unit would not be cost-effective and
that, in the absence of a unit, beneficiaries will be protected
from abuse and neglect.

2. Prescription drug formularies.--States have been prohibited from using drug formularies (lists of covered and
excluded drug products) and from imposing restrictions on new
drug products for 6 months after a drug is approved by the Food
and Drug Administration. Effective October 1, 1993, OBRA 93 allows States to use formularies to cover only the State's designated drug(s) in a class of therapeutic alternatives and
impose certain requirements on prescriptions for new drugs.

3. Asset and trust provisions.--Some individuals must spend their assets down to a State-established level before Medicaid pays for nursing facility and other medical care. To try to ensure that these persons apply their assets to the cost of their care and do not give them away in order to gain Medicaid eligibility sooner than they otherwise would, Medicaid prohibits persons from transferring assets for less than fair market value.

OBRA 93 amends Medicaid law to close ``loopholes'' that allow individuals to shelter or divest assets in order to become eligible for Medicaid-covered long-term care. States are required to provide for a delay in Medicaid eligibility for institutionalized persons or their spouses who dispose of assets for less than fair market value. A transfer that occurred during the 36-month period prior to an application for coverage would trigger a period of ineligibility beginning with the month the assets were transferred. Under the OBRA 93 amendments, the period of ineligibility is determined by comparing the cost of care and the fair market value of the assets transferred.

The law requires that States seek recovery of Medicaid expenditures from the estate of a deceased beneficiary who received certain Medicaid benefits. Amounts paid by Medicaid for nursing facility services, home and community-based care, and related hospital and prescription drug services must be recovered from the estates of individuals who were over age 55 when such services were received.

OBRA 93 provides for exemptions to these asset transfer and recovery provisions if application of the law would result in ``undue hardship'' according to criteria established by the Secretary.

4. Child support enforcement.--A child who is covered by Medicaid may also be covered by private health insurance that is carried by a noncustodial parent. To improve medical support for children, Medicaid law is amended to mandate that States have laws in effect to require the cooperation of employers and insurers in obtaining parental coverage.

5. Disproportionate share hospitals (DSH).--OBRA 93 law prohibits States from designating a hospital as a DSH unless Medicaid beneficiaries account for at least 1 percent of the hospital's impatient days. In addition, the law requires that DSH payments to a State or locally owned or operated facility cannot exceed the costs the facility incurs in furnishing inpatient or outpatient service to Medicaid beneficiaries or uninsured patients. For this purpose, a facility's cost is net of payments received from Medicaid (other than DSH payments) and from uninsured individuals.

6. Physician referral.--OBRA 93 limits Medicaid payments for designated health services (including clinical laboratory, physical and occupational therapy, radiology, or other diagnostic services, home health and other services) if such services are furnished upon referral from a physician who has a specified financial relationship with the provider furnishing

the service.

7. Childhood immunization.--OBRA 93 established a new entitlement program under which States are entitled to receive vaccines purchased by the Federal government for federally eligible children up to age 18. Providers registered in a State's immunization program are entitled to receive free vaccines for children covered under the new law. Children eligible to receive federally-purchased vaccines are Medicaid-eligible, American Indian or Alaska Native, children whose health insurance does not cover the cost of vaccines, and children who receive immunization at federally qualified health centers or rural health clinics.

8. Tuberculosis-related services.--OBRA 93 permits States to provide Medicaid coverage for outpatient tuberculosis-related services to tuberculosis-infected individuals who meet the income and resource limits that apply to disabled persons.

PROGRAM DATA

Under current law, Federal Medicaid outlays are projected to reach $96.2 billion in fiscal year 1995, a 12 percent increase over the $85.8 billion projected for fiscal year 1994. Medicaid program data are presented in the following tables 18-13 to 18-24.

TABLE 18-13.--HISTORY OF MEDICAID PROGRAM COSTS

Total	Federal	State

Fiscal year	Dollars (in millions)	Percent increase	Dollars (in millions)	Percent increase	Dollars (in millions)	Percent increase
1966\1\	1,658	....	789	....	869	....
1967\1\	2,368	42.8	1,209	53.2	1,159	33.4
1968\1\	3,686	55.7	1,837	51.9	1,849	59.5
1969\1\	4,166	13.0	2,276	23.9	1,890	2.2
1970\1\	4,852	16.5	2,617	15.0	2,235	18.3
1971	6,176	27.3	3,374	28.9	2,802	25.4
1972\2\	8,434	36.6	4,361	29.3	4,074	45.4
1973	9,111	8.0	4,998	14.6	4,113	1.0
1974	10,229	12.3	5,833	16.7	4,396	6.9
1975	12,637	23.5	7,060	21.0	5,578	26.9
1976	14,644	15.9	8,312	17.7	6,332	13.5
TQ\3\	4,106	NA	2,354	NA	1,752	NA
1977	17,103	\4\16.8	9,713	\4\16.9	7,389	\4\16.7
1978	18,949	10.8	10,680	10.0	8,269	11.9
1979	21,755	14.8	12,267	14.9	9,489	14.8
1980	25,781	18.5				

			14,550	18.6	11,231	18.4
1981	30,377	17.8	17,074	17.3	13,303	18.4
1982	32,446	6.8	17,514	2.6	14,931	12.2
1983	34,956	7.7	18,985	8.4	15,971	7.0
1984	37,569	7.5	20,061	5.7	17,508	9.6
1985\5\	40,917	8.9	\6\22,655	12.9	\6\18,262	4.3
1986	44,851	9.6	24,995	10.3	19,856	8.7
1987	49,344	10.0	27,435	9.8	21,909	10.3
1988	54,116	9.7	30,462	11.0	23,654	8.0
1989	61,246	13.2	34,604	13.6	26,642	12.6
1990	72,492	18.4	41,103	18.8	31,389	17.8
1991	91,519	26.2	52,532	27.8	38,987	24.2
1992	118,166	29.1	67,827	29.1	50,339	29.1
1993	132,010	11.7	75,774	11.7	56,236	11.7
1994 (current law estimate)	152,371	15.4	87,156	15.0	65,215	16.0
1995 (current law estimate)	168,806	10.8	96,388	10.6	72,418	11.0

\1\Includes related programs which are not separately identified, though for each successive year a larger portion of the total represents Medicaid expenditures. As of Jan. 1, 1970, Federal matching was only available

under Medicaid.
\2\Intermediate care facilities (ICFs) transferred from the cash assistance programs to Medicaid effective January 1, 1972. Data for prior periods do not include these costs.
\3\Transitional quarter (beginning of Federal fiscal year moved from July 1 to Oct. 1).
\4\Represents increase over fiscal year 1976, i.e., five calendar quarters.
\5\Includes transfer of function of State fraud control units to Medicaid from Office of Inspector General.
\6\Temporary reductions in Federal payments authorized for fiscal years 1982-84 were discontinued in fiscal year 1985.

Note: Totals may not add due to rounding.

Source: ``Budget of the U.S. Government'' fiscal years 1969-95, and Health Care Financing Administration, Division of Budget.

TABLE 18-14.--UNDUPLICATED NUMBER OF MEDICAID RECIPIENTS BY ELIGIBILITY CATEGORY, FISCAL YEARS 1972-92

[Number in thousands]

Fiscal year	Total	Aged 65 or over	Blindness	Permanent and total disability	Dependent children under age 21	Adults in families with dependent children	Other Title XIX

1972..................	17,606	3,318	108	1,625	7,841	3,137	1,576
1973..................	19,622	3,496	101	1,804	8,659	4,066	1,495
1974..................	21,462	3,732	135	2,222	9,478	4,392	1,502
1975..................	22,007	3,615	109	2,355	9,598	4,529	1,800
1976..................	22,815	3,612	97	2,572	9,924	4,774	1,836
1977\1\...............	22,832	3,636	92	2,710	9,651	4,785	1,959
1978..................	21,965	3,376	82	2,636	9,376	4,643	1,852
1979..................	21,520	3,364	79	2,674	9,106	4,570	1,727
1980\2\...............	21,605	3,440	92	2,819	9,333	4,877	1,499
1981\2\...............	21,980	3,367	86	2,993	9,581	5,187	1,364
1982\2\...............	21,603	3,240	84	2,806	9,563	5,356	1,434
1983\2\...............	21,554	3,371	77	2,844	9,535	5,592	1,129
1984\2\...............	21,607	3,238	79	2,834	9,684	5,600	1,187
1985\2\...............	21,814	3,061	80	2,937	9,757	5,518	1,214
1986\2\...............	22,515	3,140	82	3,100	10,029	5,647	1,362
1987\2\...............	23,109	3,224	85	3,296	10,168	5,599	1,418
1988\2\...............	22,907	3,159	86	3,401	10,037	5,503	1,343
1989\2\...............	23,511	3,132	95	3,496	10,318	5,717	1,175
1990..................	25,255	3,202	83	3,635	11,220	6,010	1,105
1991..................	28,280	3,359	85	3,983	13,415	6,778	658
1992..................	30,926	3,742					

84	4,378	15,104	6,954	664

\1\Fiscal Year 1977 began in October 1976 and was the first year of the new Federal fiscal cycle. Before 1977, the fiscal year began in July.

\2\Beginning in fiscal year 1980, recipients' categories do not add to the unduplicated total due to the small number of recipients that are in more than one category during the year.

Source: HCFA, BDMS, OPS, Division of Medicaid Statistics, Fiscal Years 1972-91, Office of the Actuary, Fiscal years 1993 and beyond. December 22, 1993.

TABLE 18-15.--MEDICAID RECIPIENTS BY BASIS OF ELIGIBILITY BY STATE: FISCAL YEAR 1992

State	Total recipients\1\	Aged	Blind	Disabled	AFDC children	AFDC adults	Other Title XIX
Alabama.................	466,918	69,882	1,586	100,187	198,418	91,022	4,574
Alaska..................	57,540	3,388	81	4,633	32,479	16,959	0
Arizona.................	402,212	23,258	693	43,696	236,155	98,410	0
Arkansas................	320,875	51,489	1,289	67,511	97,549	70,969	32,068
California..............	4,485,743	491,686	24,306	609,612	2,008,346	1,256,752	60,350
Colorado................	258,690	30,621	157	34,254	125,026	65,065	3,567
Connecticut.............	316,278	55,102	281	37,836	146,719	76,340	0
Delaware................	60,696	5,358					

			105	8,461	31,687,	13,558	1,325
District of Columbia....	108,514	11,541	5	16,731	55,304	24,812	121
Florida................	1,537,926	186,180	3,403	204,373	811,973	294,157	37,840
Georgia................	863,670	99,625	4,722	139,095	412,087	198,838	1,112
Hawaii.................	99,666	13,817	15	10,239	47,368	26,111	0
Idaho..................	86,924	8,783	52	12,480	44,224	20,758	627
Illinois...............	1,313,140	105,955	1,359	213,951	669,474	303,931	18,470
Indiana................	506,829	52,433	1,172	70,558	252,765	127,264	0
Iowa...................	278,828	38,333	619	39,000	116,983	68,277	14,868
Kansas.................	226,991	25,268	115	27,057,	108,272	53,397	0
Kentucky...............	583,089	61,052	1,924	113,316	257,105	136,641	1,882
Louisiana..............	702,264	96,403	1,797	111,025	345,662	147,377	0
Maine..................	162,441	22,332	207	27,281	69,082	37,367	5,567
Maryland...............	377,075	49,749	306	61,045	182,487	77,702	5,786
Massachusetts..........	686,235	105,314	10,362	122,202	295,507	152,849	0
Michigan...............	1,129,023	84,998	2,212	167,448	565,350	309,015	0
Minnesota..............	406,491	57,801	461	41,697	195,047	99,891	11,594
Mississippi............	486,861	65,989	1,634	92,784	321,010	3,973	1,471
Missouri...............	554,477	78,916	1,127	76,338	258,573	137,413	2

Montana................	60,186	8,115	76	12,618	20,690	3,434	13,740
Nebraska...............	150,791	19,939	223	17,612	67,553	31,793	13,671
Nevada.................	77,525	9,091	415	9,998	36,551	18,840	1,584
New Hampshire..........	71,179	13,882	486	9,442	33,815	13,224	0
New Jersey.............	697,083	78,663	1,200	107,949	327,381	175,240	0
New Mexico.............	211,805	14,106	560	25,446	128,312	43,381	0
New York...............	2,557,701	339,784	3,732	370,858	1,141,711	516,124	185,492
North Carolina.........	785,043	120,599	1,047	91,385	368,882	203,130	0
North Dakota...........	57,068	10,713	28	7,067	24,213	12,488	2,189
Ohio...................	1,442,289	152,083	957	162,159	777,458	345,594	4,038
Oklahoma...............	360,039	55,955	670	42,863	178,902	80,951	698
Oregon.................	295,320	29,138	1,190	34,906	150,943	79,143	0
Pennsylvania...........	1,174,779	136,293	942	195,284	562,049	237,670	41,807
Rhode Island...........	213,388	39,660	521	40,936	87,193	43,452	1,629
South Carolina.........	431,083	72,339	1,812	67,685	198,972	90,212	63
South Dakota...........	64,230	9,751	149	10,045	31,097	13,188	0
Tennessee..............	785,231	93,455	2,574	156,723	367,193	153,950	11,336
Texas..................	2,024,554	265,254	3,921	189,471	1,100,136	465,772	0
Utah...................	137,264	8,814	117	14,305	72,860	39,726	24

Vermont................	77,502	10,643	94	10,546	34,342	21,058	455
Virginia...............	515,064	78,411	1,146	76,752	244,340	114,415	0
Washington.............	568,673	50,639	365	81,049	232,246	156,546	46,259
West Virginia..........	308,034	31,609	272	49,168	131,024	93,117	2,844
Wisconsin..............	440,136	66,845	1,189	87,560	161,587	78,107	40,657
Wyoming................	42,401	3,086	8	3,890	23,523	11,023	570
Puerto Rico............	885,405	127,011	469	48,779	709,146	0	0
Virgin Islands.........	13,221	1,143	6	889	7,265	3,403	515
United States.....	30,027,764	3,614,140	83,684	4,328,527	14,387,625	6,950,426	568,280
All jurisdictions.	30,926,390	3,742,294	84,159	4,378,195	15,104,036	6,953,829	568,795

\1\Total recipients include unknowns which are not reflected in this table.

Source: HCFA, BDMS, Office of Programs Systems, data from Division of Medicaid Statistics December 22, 1993.

TABLE 18-16.--MEDICAID EXPENDITURES BY BASIS OF ELIGIBILITY BY STATE: FISCAL YEAR 1992

[In millions of dollars]

State	Total expenditures\2\	Aged	Blind	Disabled	AFDC adults	AFDC children	Other title XIX	Aged, blind and disabled as a percent of total exp.	AFDC children as a percent of total exp.
Alabama	1,056	352	4	392	148	149	9	70.9	14.0
Alaska	187	37	(\1\)	48	53	48	0	46.0	28.5
Arizona	209	13	1	63	96	35	0	37.3	45.8
Arkansas	885	266	6	367	87	85	74	72.2	9.9
California	8,692	2,251	96	2,983	1,309	1,860	129	61.3	15.1
Colorado	814	233	4	303	129	128	17	66.4	15.9
Connecticut	1,663	797	4	570	163	129	0	82.4	9.8

Delaware....................................	219	62	1	96	32	25	3	72.3	14.7
District of Columbia..........................	499	140	(\1\)	212	92	54	(\1\)	70.7	18.4
Florida.....................................	3,518	1,074	14	1,160	756	457	57	63.9	21.5
Georgia.....................................	2,149	538	28	735	356	471	1	60.6	16.6
Hawaii......................................	270	112	(\1\)	64	44	48	0	65.4	16.3
Idaho.......................................	275	72	(\1\)	118	42	41	1	69.3	15.4
Illinois....................................	4,070	872	9	1,995	651	486	56	70.7	16.0
Indiana.....................................	2,225	557	9	930	401	322	0	67.2	18.0
Iowa..	855	238	2	332	119	133	29	67.0	13.9
Kansas......................................	620	187	(\1\)	225	100	86	0	66.6	16.2
Kentucky....................................	1,543	361	8	609	279	279	1	63.3	18.1
Louisiana...................................	2,479	532	10	972	533	433	0	61.0	21.5
Maine.......................................	642	240	1	235	76	76	13	74.1	11.8

Maryland..	1,612	445	2	644	276	193	52	67.7	17.1	
Massachusetts...................................	3,248	1,256	88	1,224	372	308	0	79.1	11.5	
Michigan..	2,802	652	10	1,232	459	449	0	67.6	16.4	
Minnesota.......................................	1,750	713	6	631	196	183	21	77.1	11.2	
Mississippi.....................................	881	264	5	317	289	2	4	66.5	32.8	
Missouri..	1,350	472	5	461	234	175	(\1\)	69.4	17.3	
Montana...	217	77	(\1\)	95	17	5	15	79.6	7.9	
Nebraska..	468	168	2	153	63	50	33	69.0	13.4	
Nevada..	282	64	3	100	49	52	7	59.4	17.4	
New Hampshire...................................	340	167	7	112	33	20	0	84.2	9.8	
New Jersey......................................	2,802	912	8	1,163	311	400	0	74.3	11.1	
New Mexico......................................	478	93	4	160	148	73	0	53.8	30.9	
New York..	15,281	6,214	102	5,710	1,766					

1,207 283 78.7 11.6
North Carolina.................................
2,083 647 9 673 414
341 0 63.8 19.9
North Dakota...................................
253 99 (\1\) 98 30
22 2 78.2 11.9

Ohio...
4,308 1,535 4 1,374 853
541 1 67.6 19.8
Oklahoma.......................................
1,004 288 2 299 272
141 1 58.7 27.1
Oregon...
748 201 20 288 137
103 0 68.0 18.3
Pennsylvania...................................
3,547 1,368 3 1,265 513
345 54 74.3 14.5
Rhode Island...................................
774 283 3 346 72
64 6 81.6 9.3
South Carolina.................................
1,151 329 6 414 218
184 (\1\) 65.0 19.0

South Dakota...................................
231 85 1 90 34
20 0 76.3 14.9
Tennessee......................................
1,735 441 7 646 354
255 32 63.1 20.4
Texas..
4,407 1,402 16 1,228 976
785 0 60.0 22.1
Utah...
365 64 1 139 72
88 (\1\) 55.8 19.6
Vermont..
222 75 (\1\) 93 22

						30	1	75.6	10.1
Virginia	1,511	486	6	525	273	222	0	67.3	18.0
Washington	1,347	420	2	423	184	286	32	62.7	13.6
West Virginia	795	200	1	276	111	175	32	60.0	13.9
Wisconsin	1,677	663	8	693	124	102	62	81.4	7.4
Wyoming	114	34	(\1\)	33	26	21	1	58.1	22.6
Puerto Rico	158	23	(\1\)	9	127	0	0	19.9	80.1
Virgin Islands	5	1	(\1\)	1	2	1	(\1\)	35.2	34.6
United States	90,651	29,054	530	33,316	14,363	12,184	1,032	69.4	15.8
All jurisdictions	90,814	29,078	530	33,326	14,491	12,185	1,032	69.3	16.0

\1\Denotes expenditures of less than $500,000.
\2\Total expenditures include unknowns which are not reflected in this table.

Source: HCFA, BDMS, Office of Programs Systems, data from Division of Medicaid Statistics, December 22, 1993.

TABLE 18-17.--TOTAL AND PER CAPITA MEDICAID PAYMENTS FOR

CATEGORICALLY NEEDY AND MEDICALLY NEEDY, PRELIMINARY ESTIMATES, FISCAL YEARS 1975, 1981 AND 1992

	1975			1981			1992			Percent change 1975-92	
	Total amount (millions)	Percent of total	Per capita	Total amount (millions)	Percent of total	Per capita	Total amount (millions)	Percent of total	Per capita	Total spending	Per capita
Categorically needy:											
Receiving cash payments................	$7,188	58.7	$431	$14,534	53.4	$861	$41,742	46.0	$2,238	$480.7	$419.3
Aged..............................	1,341	11.0	555	2,480	9.1	1,270	5,795	6.4	3,778	332.1	580.7
Blind.............................	61	.5	717	109	.4	1,527	334	0.4	4,669	447.5	551.2
Disabled..........................	2,042	16.7	1,094	5,616	20.6	2,490	19,863	21.9	6,097	872.7	457.3
AFDC children.....................	1,850	15.1	222	3,002	11.0	361	8,376	9.2	891	352.8	301.4

Adults in AFDC families............	1,895	15.5	478	3,328	12.2	769	7,374	8.1	1,682	289.1	251.9
Not receiving cash payments............	1,753	14.3	1,261	4,736	17.4	2,641	16,064	17.7	4,243	816.4	236.5
Aged................................	1,275	10.4	2,331	3,143	11.6	5,273	7,085	7.8	11,658	455.7	400.1
Blind................................	12	.1	1,094	19	.1	2,785	80	0.1	15,310	566.7	1,299.5
Disabled............................	353	2.9	1,854	1,214	4.5	5,146	5,065	5.6	11,913	1,334.8	542.6
AFDC children......................	61	.5	152	153	.6	302	1,764	1.9	1,156	791.8	660.5
Adults in AFDC families............	27	.2	144	87	.3	298	1,428	1.6	1,606	5,188.9	1,015.3
Other title XIX....................	25	.2	463	120	.4	734	643	0.7	1,927	2,472.0	316.2
Total, categorically needy.......	8,941	73.0	495	19,270	70.8	1,032	57,807	63.7	2,577	546.5	420.6
Medically needy:											
Aged...................................	1,742	14.2	2,672	4,303	15.8	5,260	8,927	9.8	11,724	412.5	338.8
Blind..................................	20	.2	1,472	27	.1	3,132	71	0.1	21,865	255.0	940.0
Disabled...............................	657										

		5.4	2,202	2,471	9.1	4,924	5,243	5.8	13,876	698.0	530.2
AFDC children	274	2.2	324	353	1.3	460	1,592	1.8	943	481.0	191.0
Adults in AFDC families	140	1.1	368	348	1.3	613	1,265	1.4	1,930	803.6	424.5
Other title XIX	467	3.8	267	433	1.6	360	268	0.3	1,844	-42.6	590.6
Total, medically needy	3,301	27.0	838	7,935	29.2	2,145	17,367	19.1	4,782	426.1	470.6
Grand total	12,242	100.0	556	27,205	100.0	1,216	90,814	100.0	2,936	641.8	428.1

Note: Totals may not add due to rounding. Fiscal year 1975 ends in June; fiscal years 1981 and 1988 end in September. Total includes other coverage groups and unknowns. Other categories not shown in the total for 1991 are: Other coverage pre-88, $6,799; coverage from 88, $4,070; and mass unknown, $220.

Source: HCFA, BDMS, OPS. Division of Medicaid Statistics, December 22, 1993.

TABLE 18-18.--MEDICAID RECIPIENTS AND PAYMENTS BY BASIS OF ELIGIBILITY, FISCAL YEAR 1992

Amount (in millions)	Percent of total	Recipients (in thousands)	Percent of total	Per capita payments
Age 65 and over				
29,077.6	32.0	3,742.3	12.1	7,770.0
Blind				
530.0	0.6	84.2	0.3	6,297.7
Disabled				
33,325.8	36.7	4,378.2	14.2	7,611.8
Dependent children under age 21				
14,491.0	16.0	15,104.0	48.8	959.4
Adults in families with dependent children				
12,185.2	13.4	6,953.8	22.5	1,752.3
Other title XIX				
1,031.9	1.1	568.8	1.8	1,814.3
Total				
90,813.5	100.0	30,926.4	100.0	2,936.4

Note: Recipients and payments totals include unknowns which are not shown in this table.

Source: HCFA, BDMS, Office of Programs Systems. Data from Division of Medicaid Statistics, December 22, 1993.

TABLE 18-19.--MEDICAID PAYMENTS AND PER CAPITA PAYMENTS BY BASIS OF ELIGIBILITY, FISCAL YEARS 1975, 1981, AND 1984-92

[Amounts in millions of dollars]

	1975	1981	1984	1985	1986	1987	1988	1989	1990	1991	1992	Percent change, 1975-92
In Nominal Dollars												
Payments:												
Age 65 and over	4,358	9,926	12,815	14,096	15,097	16,037	17,135	18,558	21,508	25,453	29,078	567.3
Blind	93	154	219	249	277	309	344	409	434	475	530	47.6
Disabled	3,052	9,301	11,758	13,203	14,635	16,507	18,250	20,476	23,969	27,798	33,326	991.8
Dependent children under age 21	2,186	3,508	3,979	4,414	5,135	5,508	5,848	6,892	9,100	11,690	14,491	562.9
Adults in families with dependent children	2,062	3,763	4,420	4,746	4,880	5,592	5,883	6,897	8,590	10,439	12,185	491.0
Other title XIX	492	552	700	798	980	1,078	1,198	1,137	1,051	973	1,032	109.9
Total	12,242	27,204	33,891	37,508	41,005	45,050	48,710	54,500	64,859	77,048	90,814	641.8
Per capita payment:												
Age 65 and over	1,205											

2,948 3,957 4,605 4,808 4,975 5,425 5,926
6,717 7,577 7,770 544.6
Blind................................ 850
1,784 2,766 3,104 3,401 3,644 4,005 4,319
5,212 5,572 6,298 641.0
Disabled............................. 1,296
3,108 4,149 4,496 4,721 5,008 5,366 5,858
6,595 6,979 7,612 487.3
Dependent children under age 21....... 228
366 411 452 512 542 583 668
811 871 959 321.2
Adults in families with dependent
children............................. 455
725 789 860 864 999 1,069 1,206
1,429 1,540 1,752 248.9
Other title XIX....................... 273
405 590 658 719 761 891 967
1,062 1,732 1,814 564.2
Total, per capita payment........... 556
1,238 1,569 1,719 1,821 1,949 2,126 2,318
2,568 2,725 2,936 427.9

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In Constant 1992 Dollars
Payments:
Age 65 and over....................... 11,723
15,584 17,300 18,466 19,173 19,886 20,391
21,156 23,229 26,217 29,078 148.0
Blind................................ 250
242 296 326 352 383 409 466
469 489 530 112.0
Disabled............................. 8,210
14,603 15,873 17,296 18,586 20,469 21,718
23,343 25,887 28,632 33,326 305.9
Dependent children under age 21....... 5,880
5,508 5,372 5,782 6,521 6,830 6,959 7,857
9,828 12,041 14,491 146.4
Adults in families with dependent

children	5,547	5,908	5,967	6,217	6,198	6,934	7,001	7,863	9,277	10,752	12,185	119.7
Other title XIX	1,323	867	945	1,045	1,245	1,337	1,426	1,296	1,135	1,002	1,032	-22.0
Total\1\	32,931	42,710	45,753	49,135	52,076	55,862	57,965	62,130	70,048	79,359	90,814	175.8
Per capita payment:												
Age 65 and over	3,241	4,628	5,342	6,033	6,106	6,169	6,456	6,756	7,254	7,804	7,770	139.7
Blind	2,287	2,801	3,734	4,066	4,319	4,519	4,766	4,924	5,629	5,739	6,298	173.4
Disabled	3,486	4,880	5,601	5,890	5,996	6,210	6,386	6,678	7,123	7,188	7,612	118.4
Dependent children under age 21	613	575	555	592	650	672	694	762	876	897	959	56.4
Adults in families with dependent children	1,224	1,338	1,065	1,127	1,097	1,239	1,272	1,375	1,543	1,586	1,752	43.1
Other title XIX	734	636	797	862	913	944	1,060	1,102	1,147	1,784	1,814	147.1
Total, per capita payment	1,496	1,944	2,118	2,252	2,313	2,417	2,530	2,643	2,773	2,807	2,936	96.3

\1\Data exclude unknowns.

Note: Total may not add due to rounding. Fiscal year 1975 ends in June; all other fiscal years end in September. Nominal dollars converted to constant dollars using CPI-U price index. Total expenditures includes other coverage groups and unknowns for fiscal year 1992.

Source: HCFA, BDMS, OPS, Division of Medicaid Statistics, December, 1993, and Congressional Research Service.

TABLE 18-20.--MEDICAID PAYMENTS BY SERVICE CATEGORY, FISCAL YEARS 1975, 1981, 1990-92

[Amounts in millions of constant 1990 dollars]

	1975		1981		1990		1992		Average annual percent change
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent of total	1975-92
Inpatient hospital....	$9,396	30.9	$11,693	29.7	$18,388	28.4	$23,743	28.3	5.6
General...........	8,389	27.6	10,423	26.4	16,674	25.7	21,715	25.9	5.8
Mental............	1,007	3.3	1,271	3.2	1,714	2.6	2,029	2.4	4.2
Skilled nursing facilities...........	\1\6,052	19.9	5,846	14.8	8,026	12.4	21,752	25.9	7.8

Intermediate care facilities...........	5,632	18.5	10,870	27.6	17,021	26.2	(\1\)	(\1\)	(\1\)
Intermediate care facilities for the mentally retarded.........	945	3.1	4,341	11.0	7,354	11.3	7,853	9.4	2.0
Other.............	4,687	15.4	6,530	16.6	9,667	14.9	(\1\)	....	(\1\)
Physician.............	3,046	10.0	3,044	7.7	4,018	6.2	5,638	6.7	3.7
Dental................	843	2.8	787	2.0	593	0.9	786	0.9	-0.4
Other practitioner....	316	1.0	330	0.8	372	0.6	497	0.6	2.7
Outpatient hospital...	927	3.0	2,041	5.2	3,324	5.1	4,877	5.8	10.3
Clinic................	967	3.2	540	1.4	1,688	2.6	2,604	3.1	6.0
Lab and X-ray.........	313	1.0	213	0.5	721	1.1	956	1.1	6.8
Home health...........	174	0.6	620	1.6	3,404	5.2	4,514	5.4	21.1
Prescribed drugs......	2,026	6.7	2,224	5.6	4,420	6.8	6,250	7.4	6.9
Family planning.......	167	0.5	201	0.5	265	0.4	462	0.6	6.2
Early and periodic screening\2\.........	(\2\)	0.0	97	0.2	198	0.3	478	0.6	(\1\)
Rural health clinic\2\	(\2\)	0.0	6	0.0	34	0.1	125	0.1	(\1\)
Other.................	579	1.9	897	2.3	2,385	3.7	3,317	4.0	10.8
Total...........	30,440	100.0	39,414	100.0	64,859	100.0	83,904	100	6.1

\1\Prior to fiscal year 1991, there were two categories of Medicaid nursing home care: skilled nursing facilities or intermediate nursing facilities. \2\1975 data not available. Note: Totals may not add due to rounding. Fiscal year 1975 ends in June; all other fiscal years end in September. Spending amounts put in constant dollars using the Consumer Price Index (CPI-U). Data exclude unknowns. Source: HCFA, BDMS, Office of Programs Systems. Data from Division of Medicaid Statistics. December 22, 1993.

TABLE 18-21.--MEDICAID RECIPIENTS BY SERVICE CATEGORY, FOR FISCAL YEARS 1975, 1981, 1989-92

[In thousands]

	Fiscal year-- 1975	1981	1989	1990	1991	1992
Inpatient hospital:						
General	3,432	3,703	4,171	4,593	5,137	5,768
Mental	67	90	90	92	5,072	77
Nursing facilities\1\	1,312	1,385	1,452	1,461	1,499	1,573
Intermediate care facilities for the mentally retarded	69	151	148	147	146	151
Physician	15,198	14,403	15,686	17,078	19,321	21,627
Dental	3,944	5,173	4,214	4,552	5,209	5,700
Other practitioner						

	2,673	3,582	3,555	3,873	4,282	4,711
Outpatient hospital	7,437	10,018	11,344	12,370	14,137	15,120
Clinic	1,086	1,755	2,391	2,804	3,511	4,115
Laboratory & X ray	4,738	3,822	7,759	8,959	10,505	11,804
Home health	343	402	609	719	813	925
Prescribed drugs	14,155	14,256	15,916	17,294	19,602	22,030
Family planning	1,217	1,473	1,564	1,752	2,185	2,550
Early and periodic screening	(\2\)	1,969	2,524	2,952	3,957	4,982
Rural health clinics	(\2\)	81	166	224	405	743
Other	2,911	2,344	4,583	5,126	5,957	6,702
Unduplicated total	22,007	21,980	23,511	25,255	28,280	30,926

\1\Prior to fiscal year 1991, there were 2 categories of Medicaid nursing home care: skilled nursing facilities or intermediate nursing facilities.

\2\1975 data not available.

Source: HCFA, BDMS, Office of Programs Systems, Division of Medicaid Statistics, December 1993.

TABLE 18-22.--MEDICAID MEDICAL VENDOR PAYMENTS BY BASIS OF ELIGIBILITY AND TYPE OF SERVICE: FISCAL YEAR 1992

AFDC

Type of service	Aged	Blind	Disabled	Children	Adults	Other title XIX	Total
[In millions of dollars]							
Inpatient hospital services............	1,869.9	86.1	8,927.4	6,554.6	5,480.8	466.1	23,384.9
Mental hospital services for the aged................	908.5	.4	57.2	2.5	1.9	2.5	973.0
SNF/ICF mental health services for the aged................	114.4	.0	5.1	0	0	0	119.5
Inpatient psychiatric services, age <22...	.3	.4	344.9	617.4	11.4	126.9	1,101.3
Intermediate care facility for the mentally retarded...	519.6	130.9	7,837.9	37.6	14.2	4.7	8,545.0
Nursing facility services............	19,596.5	107.5	3,762.0	15.1	45.7	8.3	23,535.0
Physician's services.	399.6	24.1	1,485.0	1,946.9	2,138.9	94.1	6,088.5
Dental services......	52.0	1.6	133.2	417.0	225.3	21.8	850.8
Other practitioners' services............	66.1	2.6	199.3	136.7	126.0	7.1	537.8
Outpatient hospital services............	310.8	19.4	1,600.9	1,736.1	1,521.3	84.4	5,272.8
Clinic services......	174.1	18.0					

			1,555.6	572.5	414.8	79.0	2,814.0
Home health services.	2,249.6	55.1	2,383.7	121.4	55.5	19.6	4,885.0
Family planning services............	1.1	.5	25.8	57.3	408.5	6.6	499.7
Lab and x ray services............	53.1	4.0	310.6	221.6	432.0	11.3	1,032.7
Prescribed drugs.....	2,190.9	48.9	2,873.7	806.3	805.2	37.0	6,762.0
Early and periodic screening...........	.1	.3	36.2	449.1	16.8	13.5	516.0
Rural health clinic services............	4.4	.3	20.1	61.0	46.8	1.8	134.4
Other care...........	565.8	30.1	1,764.8	737.5	440.0	47.0	3,585.1
Unknown..............	.9	0	2.7	.4	.1	0	4.1
Total..........	29,077.6	530.0	33,325.8	14,491.0	12,185.2	1,031.9	90,641.6
[In percent]							
Inpatient hospital services............	6.4	16.2	26.8	45.2	45.0	45.2	25.8
Mental hospital services for the aged................	3.1	.1	.2	0	0	.2	1.1
SNF/ICF mental health services for the aged................	.4	0	0				

0 0 0 .1
Inpatient psychiatric
 services, age <22... 0 .1
1.0 4.3 .1 12.3 1.2
Intermediate care
 facility for the
 mentally retarded... 1.8 24.7
23.5 .3 .1 .5 9.4
Nursing facility
 services............ 67.4 20.3
11.3 .1 .4 .8 26.0
Physician's services. 1.4 4.5
4.5 13.4 17.6 9.1 6.7
Dental services...... .2 .3 .
4 2.9 1.8 2.1 .9
Other practitioners'
 services............ .2 .5 .
6 .9 1.0 .7 .6
Outpatient hospital
 services............ 1.1 3.7
4.8 12.0 12.5 8.2 5.8
Clinic services...... .6 3.4
4.7 4.0 3.4 7.7 3.1
Home health services. 7.7 10.4
7.2 .8 .5 1.9 5.4
Family planning
 services............ 0 .1 .
1 .4 3.4 .6 .6
Lab and x ray
 services............ .2 .8 .
9 1.5 3.5 1.1 1.1
Prescribed drugs..... 7.5 9.2
8.6 5.6 6.6 3.6 7.5
Early and periodic
 screening........... 0 .1 .
1 3.1 .1 1.3 .6
Rural health clinic
 services............ 0 .1 .
1 .4 .4 .2 .1
Other care........... 1.9 5.7
5.3 5.1 3.6 4.6 4.0

Unknown.............	0	0	0	0	0	0	0
Total..........	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: HCFA, BDMS, Office of Programs Systems. Data from Division of Medicaid Statistics, December 22, 1993.

TABLE 18-23.--AVERAGE EXPENDITURE PER RECIPIENT BY BASIS OF ELIGIBILITY BY STATE: FISCAL YEAR 1992

State	Total	Aged	Blind	Disabled	AFDC Children	AFDC Adults	Other title XIX
United States................................	$3,019	$8,039	$6,332	$7,697	$998	$1,753	$1,816
All jurisdictions...........................	2,936	7,770	6,298	7,612	959	1,752	1,814
Alabama..	2,262	5,042	2,785	3,915	746	1,636	1,966
Alaska...	3,248	10,934	6,068	10,467	1,640	2,806	0
Arizona..	520	579	1,870	1,446	406	359	0

Arkansas	2,758	5,163	4,653	5,430	896	1,192	2,320
California	1,938	4,579	3,959	4,894	652	1,480	2,137
Colorado	3,145	7,618	25,435	8,845	1,033	1,961	4,691
Connecticut	5,258	14,458	14,836	15,070	1,111	1,691	0
Delaware	3,611	11,515	5,914	11,369	1,014	1,842	2,170
District of Columbia	4,595	12,171	5,493	12,658	1,658	2,187	2,603
Florida	2,288	5,770	4,133	5,676	932	1,553	1,495
Georgia	2,488	5,405	6,019	5,283	865	2,369	1,106
Hawaii	2,706	8,115	2,701	6,282	929	1,831	0
Idaho	3,159	8,154	6,587	9,481	955	1,979	1,534
Illinois	3,099	8,233	6,983	9,327	972	1,599	3,045
Indiana	4,390	10,627	7,635	13,181	1,585	2,531	0
Iowa	3,065	6,206	3,972	8,522	1,015	1,952	1,981
Kansas	2,730	7,410	4,076	8,322	928	1,619	0
Kentucky	2,647	5,908	4,139	5,374	1,085	2,039	582
Louisiana	3,530	5,514	5,470	8,755	1,541	2,937	0
Maine	3,950	10,751	3,918	8,604	1,094	2,044	2,420
Maryland	4,276	8,942	7,577	10,553	1,512	2,484	9,015
Massachusetts	4,733						

		11,925	8,495	10,015	1,259	2,015	0
Michigan	2,482	7,674	4,345	7,359	811	1,454	0
Minnesota	4,306	12,339	12,384	15,130	1,007	1,829	1,839
Mississippi	1,809	4,005	2,870	3,416	899	575	2,754
Missouri	2,435	5,975	4,149	6,043	906	1,276	333
Montana	3,599	9,500	3,507	7,543	832	1,564	1,118
Nebraska	3,103	8,421	7,586	8,710	926	1,560	2,397
Nevada	3,635	7,035	7,971	10,018	1,343	2,753	4,447
New Hampshire	4,779	12,040	14,507	11,883	986	1,501	0
New Jersey	4,019	11,592	6,471	10,776	950	2,281	0
New Mexico	2,259	6,622	6,847	6,301	1,153	1,682	0
New York	5,975	18,288	27,316	15,396	1,547	2,338	1,525
North Carolina	2,654	5,368	8,314	7,359	1,121	1,679	0
North Dakota	4,430	9,275	6,169	13,891	1,238	1,765	1,095
Ohio	2,987	10,090	3,815	8,474	1,098	1,564	340
Oklahoma	2,788	5,156	3,095	6,976	1,521	1,747	1,022
Oregon	2,532	6,906	16,468	8,237	905	1,298	0
Pennsylvania	3,019	10,038	3,435	6,477	912	1,451	1,295
Rhode Island	3,628	7,128	5,864	8,458	825	1,480	3,572
South Carolina	2,670						

		4,549	3,235	6,112	1,097	2,039	2,419
South Dakota	3,597	8,755	3,517	9,006	1,109	1,530	0
Tennessee	2,210	4,723	2,831	4,121	964	1,655	2,818
Texas	2,177	5,284	4,193	6,481	887	1,685	0
Utah	2,662	7,318	7,532	9,694	985	2,206	4,962
Vermont	2,863	7,013	4,580	8,792	653	1,428	2,420
Virginia	2,934	6,204	4,869	6,841	1,116	1,936	0
Washington	2,368	8,301	4,784	5,214	791	1,825	689
West Virginia	2,580	6,312	4,433	5,618	844	1,880	11,274
Wisconsin	3,811	9,922	7,143	7,915	768	1,301	1,533
Wyoming	2,685	10,894	2,418	8,357	1,093	1,875	1,512
Puerto Rico	178	178	177	178	178	0	0
Virgin Islands	372	611	86	1,161	234	388	314

Source: HCFA, BDMS, Office Program Systems, Data from Division of Medicaid Statistics, December 22, 1993.

TABLE 18-24.--OPTIONAL MEDICAID SERVICES AND NUMBER OF STATES\1\
OFFERING EACH SERVICE AS OF OCTOBER, 1993

	States	States offering

Service	Number of States offering service to categorically needy only	Number of States offering service to both categorically and medically needy	Total
Podiatrists' services..........	14	33	47
Optometrists' services.........	16	35	51
Chiropractors' services........	7	20	27
Psychologists' services........	8	23	31
Medical social workers' services......................	2	5	7
Nurse Anesthetists' services...	11	16	27
Private duty nursing...........	7	20	27
Clinic services................	17	37	54
Dental services................	16	34	50
Physical therapy...............	15	30	45
Occupational therapy...........	12	25	37
Speech, hearing and language disorder......................	16	27	43
Prescribed drugs...............	17	39	56
Dentures.......................	11	30	41

Prosthetic devices............	18	37	55
Eyeglasses....................	16	33	49
Diagnostic services...........	9	24	33
Screening services............	8	23	31
Preventive services...........	7	23	30
Rehabilitative services........	14	37	51
Services for age 65 or older in mental institution:			
A. Inpatient hospital services..................	16	24	40
B. SNF services...........	13	20	33
C. ICF/MR services.........	22	28	50
Inpatient psychiatric services for under age 21.............	13	28	41
Christian Science nurses.......	3	2	5
Christian Science sanitoria....	6	9	15
SNF for under age 21...........	23	29	52
Emergency hospital services....	14	30	44
Personal care services.........	10	22	32
Transportation services........	16	39	55
Case management services.......	12	33	45
Hospice services...............	10	25	35

Respiratory care services......	5	11	16

\1\Includes the territories. Thus the maximum number is 53.

Source: Health Care Financing Administration, Office of Prepaid Health Care, Medicaid Bureau, Office of Intergovernmental Affairs.

FEDERAL HOUSING ASSISTANCE\19\

A number of Federal programs administered by the Department of Housing and Urban Development (HUD) and the Farmers Home Administration (FmHA) address the housing needs of lower-income households. Housing assistance has never been provided as an entitlement to all households that qualify for aid. Instead, each year the Congress has appropriated funds for a number of new commitments. Because these commitments generally run from 5 to 50 years, the appropriation is actually spent gradually, over many years. These additional commitments have expanded the pool of available aid, thus increasing the total number of households that can be served. They have also contributed to growth in Federal outlays in the past and have committed the Government to continuing expenditures for many years to come.

\19\This discussion draws directly from a CBO Study entitled ``Current Housing Problems and Possible Federal

Responses,'' December 1988. For this report, CBO has updated all figures with 5 additional years of data.

This section describes recent trends in the number and mix of new commitments, as well as trends in expenditures.

TRENDS IN FEDERAL HOUSING ASSISTANCE

The Federal Government has traditionally provided housing aid directly to lower-income households in the form of rental subsidies and mortgage-interest subsidies. Recent legislation, the 1990 Cranston-Gonzalez National Affordable Housing Act (hereafter referred to as the 1990 Housing Act), authorized a new, indirect approach in the form of housing block grants to State and local governments, which may use these funds for various housing assistance activities specified in the law. Over the past decade, both the number of households receiving aid and total federal expenditures have increased each year, but the growth in assisted households has slowed during the 1980s.

Types of housing assistance

A number of different housing assistance programs have evolved in response to changing housing policy objectives. The primary purpose of housing assistance has always been to improve housing quality and to reduce housing costs for lower-income households. Other goals have included promoting residential construction, expanding housing opportunities for disadvantaged groups and groups with special housing needs, promoting neighborhood preservation and revitalization, increasing homeownership, and, most recently, empowering the poor to become self-sufficient.

New housing programs have been developed over time because of shifting priorities among these objectives--as housing-related problems changed--and because of the relatively high federal costs associated with some approaches. Other programs have become inactive in that the Congress stopped appropriating funds for new assistance commitments through them. Because housing programs traditionally have involved multiyear contractual obligations, however, these so-called inactive programs continue to play an important role today by serving a large number of households through commitments for which funds were appropriated some time ago.

Traditional rental assistance.--Most Federal housing aid is now targeted to very-low-income renters through the rental assistance programs administered by HUD and the FmHA.\20\ Rental assistance is provided through two basic approaches: (1) project-based aid, which is typically tied to projects specifically produced for lower-income households through new construction or substantial rehabilitation; and (2) household-based subsidies, which permit renters to choose standard housing units in the existing private housing stock. Some funding is also provided each year to modernize units built with federal aid.

\20\For more detailed description of the various types of programs,
see Congressional Research Service, HUD Housing Assistance Programs:
Their Current Status, 93-222E (February, 1993); and Congressional
Research Service, Housing Assistance in the United States, 91-872E
(December 1991).

Rental assistance programs generally reduce tenants' rent payments to a fixed percentage--currently 30 percent--of their income after certain deductions, with the Government paying the remaining portion of the contract rents.

Almost all project-based aid is provided through production-oriented programs, which include the public housing program, the section 8 new construction and substantial rehabilitation program, and the section 236 mortgage-interest-subsidy program--all administered by HUD--and the section 515 mortgage-interest-subsidy program administered by the FmHA. \21\ New commitments are being funded through three of the four--the public housing program, a modified version of the section 8 new construction program for elderly and disabled families only, and the section 515 program. Some assistance has also been funded annually under two small HUD programs authorized in 1983--the rental housing development grants (HoDAG) and the rental rehabilitation block grant programs.\22\ These programs

distributed funds through a national competition and by
formula, respectively, to units of local government that
meet
eligibility criteria established by statute.

\21\A small number of renters continue to receive
project-based
subsidies through the now inactive section 221(d)(3) below-
market
interest rate (BMIR) and rent supplement programs.

\22\The Housing and Community Development Act of 1987
terminated
the HoDAG program at the end of fiscal year 1989, and the
1990 Housing
Act repealed the rental rehabilitation block grant program
at the end
of fiscal year 1991.

Some project-based aid is also provided through several
components of HUD's section 8 existing-housing program,
which
tie subsidies to specific units in the existing-housing
stock,
many of which have received other forms of aid or mortgage
insurance through HUD. These components--all of which are
currently active--include the section 8 loan management
set-
aside (LMSA) and property disposition (PD) components,
which
are designed to improve cash flows in selected financially
troubled projects that are or were insured by the Federal
Housing Administration (FHA); the section 8 conversion
assistance component, which subsidizes units that were
previously aided through other programs; and the section 8
moderate rehabilitation program, which provides subsidies
tied
to units that are brought up to standard by the owner.\23\

\23\The 1990 Housing Act repealed the section 8 moderate rehabilitation program at the end of fiscal year 1991, except for single-room occupancy units for the homeless.

Household-based subsidies are provided through two other components of the section 8 existing-housing program--section 8 rental certificates and vouchers. These programs, both of which are currently active, tie aid to households, who choose standard units in the private housing stock. Certificate holders generally must occupy units whose rents at initial occupancy are within guidelines--the so-called fair market rents (FMRs)--established by HUD. Voucher recipients, however, are allowed to occupy units with rents above the HUD guidelines, provided that they pay the difference.

Traditional homeowners' assistance.--Each year, the Federal Government also assists some lower- and moderate-income households in becoming homeowners by making long-term commitments to reduce their mortgage interest.\24\ Most of this aid has been provided through the section 502 program administered by the FmHA, which supplies direct mortgage loans at low interest rates roughly equal to the long-term Government borrowing rates or provides guarantees for private loans whose interest rates may not exceed those set by the Department of Veterans Affairs. Many homebuyers, however, receive much deeper subsidies through the interest-credit component of this program, which reduces their effective interest rate to as low as 1 percent. A number of homebuyers have received aid through the section 235 program administered by HUD, which provides interest subsidies for mortgages financed by private lenders. New commitments are now being made only through the section 502 program, but a small number of homeowners continue to receive aid from prior commitments made under the section 235 program.\25\ Both programs generally reduce mortgage payments, property taxes, and insurance costs to a fixed percentage of income, ranging from 20 percent for the FmHA program to 28 percent for the latest commitments made under the HUD program. Households with relatively low incomes generally would have to pay larger shares, however, since mortgage payments must cover a minimum interest rate--currently 1 percent and 4 percent for the FmHA and HUD programs, respectively. Starting in 1991, however, the FmHA may allow some very-low-income households, to defer up to 25 percent of their monthly payments, subject to later repayment.

\24\In addition, a small number of very-low-income homeowners receive grants or loans each year from the FmHA for housing repairs.

\25\The Housing and Community Development Act of 1987 terminated the section 235 program at the end of fiscal year 1989.

New directions in housing assistance.--The 1990 Housing Act, enacted in November 1990, authorizes several new housing assistance approaches. The major initiatives of the 1990 act are: the HOME investment partnerships block grant program, the homeownership and opportunity for people everywhere (HOPE) program, and the national homeownership trust demonstration. For 1994, funds were appropriated for both the HOME and HOPE programs but not for the homeownership trust demonstration.

The HOME investment partnerships program is designed to increase the supply of housing affordable to low-income families through the provision of Federal grants to State and local governments. Funds may be used for tenant-based rental assistance or for acquisition, rehabilitation or, in limited circumstances, construction of both rental and ownership housing. Participating jurisdiction must provide matching contributions for HOME funds--25 percent for funds used for rental assistance or rehabilitation, including substantial rehabilitation; and 30 percent for funds used for new construction.

The multifaceted homeownership and opportunity for people everywhere (HOPE) program is designed to increase homeownership opportunities among low-income households, to combine traditional housing assistance programs for certain homeless people with supportive services, and to preserve certain federally assisted rental housing units for low-income use. To increase ownership opportunities, HOPE grants are provided to private nonprofits, cooperatives, public agencies, and instrumentalities to enable low-income households to become owners of units in public and Indian housing and other multifamily or single-family properties that are owned or whose mortgages are held by various Federal agencies, State or local governments, or by the Resolution Trust Corporation. To address the needs of homeless individuals with mental illness, substance abuse problems, or AIDS, the shelter plus care component of HOPE provides funds for section 8-like rental assistance, to be combined with supportive services funded at the State or local level. Finally, to address the potential loss of low-income rental housing projects whose owners are eligible to terminate the low-income use through prepaying their mortgages, HOPE provides funds for incentives to owners not to prepay; to assist residents or other qualified organizations in purchasing the projects; and for vouchers to assist tenants adversely affected by prepayment.

The national homeownership trust demonstration is designed to lower the cost of ownership for moderate-income, first-time homebuyers by establishing a trust fund to help buy down the maximum mortgage interest rate on eligible properties to 6 percent. An eligible property would be a single-family residence or cooperative unit for which the mortgage amount does not exceed the limits established for FHA insurance.

Trends in commitments for housing assistance

Although the Federal Government has been subsidizing the shelter costs of lower-income households since 1937, more than half of all currently outstanding commitments were funded over the past 18 years. Between 1977 and 1994, about 2.7 million net new commitments were funded to aid lower-income renters. Another 1.0 million new commitments were provided in the form of mortgage assistance to lower- and moderate-income homebuyers. Between 1977 and 1983, the number of net new rental commitments funded each year declined steadily, however, from 375,000 to 78,000. Trends have been somewhat erratic since 1983. Over the 18-year period, commitments for new homebuyers generally decreased, ranging from a high of 140,000 in 1980 to a low of less than 24,000 in 1991 (see table 18-25).

TABLE 18-25.--NET NEW COMMITMENTS FOR RENTERS AND NEW COMMITMENTS FOR HOMEBUYERS, 1977-94

Fiscal year	Net new commitments for renters: Existing housing	Net new commitments for renters: New construction	Net new commitments for renters: Total	New commitments for homebuyers
1977	127,581	247,667	375,248	112,234
1978	126,472	214,503	340,975	112,214
1979	102,669	231,156	333,825	107,871
1980				

	58,402	155,001	213,403	140,564
1981	83,520	94,914	178,434	74,636
1982	37,818	48,157	85,975	66,711
1983	54,071	23,861	77,932	54,550
1984	78,648	36,719	115,367	44,409
1985	85,741	42,667	128,408	45,387
1986	85,476	34,375	119,851	25,479
1987	72,788	37,247	110,035	24,132
1988	65,295	36,456	101,751	26,200
1989	68,858	30,049	98,907	25,264
1990	61,309	23,491	84,800	24,968
1991	55,900	28,478	84,378	23,879
1992\1\	62,595	38,324	100,919	25,690
1993\1\	50,593	34,065	84,658	30,982
1994 (estimate)\1\	64,791	35,861	100,652	42,230

\1\Figures are not adjusted for units for which funds were deobligated because data were unavailable.

Note: Net new commitments for renters represent net additions to the available pool of rental aid and are defined as the total number of commitments for which new funds are appropriated in any year. To avoid double-counting, these numbers are adjusted for the number of commitments for which such funds are deobligated or canceled that year (except where noted otherwise); the number of commitments for units converted from one type of assistance to another; in the FmHA Section 515 program, the number of units that receive more than one subsidy; starting in 1985, the number of commitments specifically designed to replace those lost because private owners of assisted housing opt out of the programs or because public housing units are demolished; and, starting in 1989, the number of commitments for units whose section 8 contracts expire.

New commitments for homebuyers are defined as the total number of new loans that the FmHA or HUD makes or subsidizes each year. This measure of program activity is meant to indicate how many new homebuyers can be helped each year and is therefore not adjusted to account for homeowners who leave the programs in any year because of mortgage repayments, prepayments, or foreclosures. Thus, it does not represent net additions to the total number of assisted homeowners and therefore cannot be added to net new commitments for renters.

Source: Congressional Budget Office based on data provided by the Department of Housing and Urban Development and the Farmers Home Administration.

The production-oriented approach in rental programs has been sharply curtailed in recent years in favor of the less costly section 8 existing-housing and voucher programs. Between 1977 and 1982, commitments through programs for new construction and substantial rehabilitation ranged annually from 53 percent to 73 percent of the total; since then, however, they have ranged between 28 percent and 40 percent of all additional rental commitments.

The total number of households receiving assistance has increased substantially, from 3.2 million at the beginning of fiscal year 1977 to an estimated 5.8 million at the beginning of fiscal year 1994--an increase of more than 80 percent

(see table 27). This increase results largely from net new commitments over the past 18 years, but also from commitments made before 1977 that have been processed during this period.
The number of households receiving rental subsidies increased from 2.1 million to 5.0 million. The number of homeowners receiving assistance in a given year rose from less than 1.1 million in 1977 to over 1.2 million in 1983, but then declined steadily to less than 0.8 million by 1994. The latter pattern reflects commitments for newly assisted households being more than offset by loan repayments, prepayments, and foreclosures among previously assisted households, and by sales of 141,000 loans by the FmHA to provide investors. (Although these 141,000 families continued to benefit from these loans, even after the transfer to the private sector, data are not readily available on the attrition of these loans between 1988 and 1994). Thus, the proportion of all assisted households that receives homeownership assistance has declined from 34 percent at the beginning of 1977 to 13 percent at the beginning of 1994. Among rental assistance programs, the shift away from production-oriented programs toward existing housing is reflected in the increasing proportion of renters receiving aid through the latter approach, from 13 percent at the beginning of fiscal year 1977 to 40 percent at the beginning of 1994, with the proportion of renters receiving household-based subsidies

increasing from 8 percent to 28 percent.

TABLE 18-26.--TOTAL HOUSEHOLDS RECEIVING ASSISTANCE BY TYPE OF SUBSIDY, 1977-94

[Households in thousands]

	Assisted renters: Existing housing: Household based	Assisted renters: Existing housing: Project based	Assisted renters: Existing housing: Subtotal	Assisted renters: New construction	Total assisted renters	Total assisted homeowners\1\	Total assisted renters and homeowners\1\
Beginning of fiscal year:							
1977.....................	162	105	268	1,825	2,092	1,071	3,164
1978.....................	297	126	423	1,977	2,400	1,082	3,482
1979.....................	427	175	602	2,052	2,654	1,095	3,749
1980.....................	521	185	707	2,189	2,895	1,112	4,007
1981.....................	599	221	820	2,379	3,012	1,127	4,139
1982.....................	651	194	844	2,559	3,210	1,201	4,411
1983.....................	691	265	955	2,702	3,443	1,226	4,668
1984.....................	728	357	1,086	2,836	3,700	1,219	4,920

1985	749	431	1,180	2,931	3,887	1,193	5,080
1986	797	456	1,253	2,986	3,998	1,176	5,174
1987	893	473	1,366	3,047	4,175	1,126	5,301
1988	956	490	1,446	3,085	4,296	918	5,213
1989	1,025	509	1,534	3,117	4,402	892	5,295
1990	1,090	527	1,616	3,141	4,515	875	5,390
1991	1,137	540	1,678	3,180	4,613	853	5,465
1992	1,166	554	1,721	3,204	4,680	826	5,506
1993	1,326	574	1,900	3,196	4,851	774	5,625
1994	1,392	593	1,985	3,213	5,008	751	5,759

\1\Starting 1988, figures reflect a one-time decrease of 141,000 in the number of assisted homeowners because of asset sales by the FmHA to private investors.

Note: Figures for total assisted renters have been adjusted since 1980 to avoid double-counting households receiving more than one subsidy.

Source: Congressional Budget Office based on data provided by the Department of Housing and Urban Development and the Farmers Home Administration.

BUDGET AUTHORITY AND OUTLAYS FOR HOUSING ASSISTANCE

Funding for most additional commitments for housing assistance is provided each year through appropriations of long-term budget authority for subsidies to households and through appropriations of budget authority for grants, direct loans and loan guarantees to public housing agencies, homebuyers, and developers of rental housing.

Annual appropriations of new budget authority for housing assistance have been cut dramatically during the 1980s. These cuts reflect four underlying factors: the previously mentioned reduction in the number of newly assisted households; the shift toward cheaper existing-housing assistance; a systematic reduction in the average term of new commitments from more than 24 years in 1977 to about 8 years in 1994; and the changes in the method for financing the construction and modernization of public housing (since 1987) and the construction of housing for the elderly and the disabled (since 1991).\26\ For HUD's programs alone, appropriations of budget authority declined (in 1994 dollars) from a high of $71.5 billion in 1978 to a low of $10.7 billion in 1989 (see table 18-27). The increased levels of budget authority since 1990 reflect for a large part the cost of renewing expiring section 8 contracts. Similarly, new lending authority for FmHA's direct loan and loan guarantee programs decreased (in 1994 dollars) from a high of $7.7 billion in 1979 to a low of $2.1 billion in 1991, increasing somewhat to $3.2 billion in 1994.

\26\Before 1987, new commitments for the construction and modernization of public housing were financed over periods ranging from 20 to 40 years, with the appropriations for budget authority reflecting both the principal and interest payments for this debt. Starting in 1987, these activities are financed with up-front grants, which reduces their budget authority requirements by between 51 percent and 67 percent. Similarly, prior to 1991, housing for the elderly and the disabled was financed by direct federal loans for the construction, coupled with 20-year-section 8 rental assistance, which helped repay the direct loan. Starting in 1991, the loans have been replaced by grants, which has reduced the amount of budget authority required for annual rental assistance.

TABLE 18-27.--NET BUDGET AUTHORITY APPROPRIATED FOR HOUSING AID ADMINISTERED BY HUD, 1977-94

[In millions of current and 1994 dollars]

Fiscal year	Net budget authority: Current dollars	Net budget authority: 1994 dollars
1977	28,579	67,622
1978	32,169	71,496
1979	25,123	

51,274
1980....................................   27,435
50,385
1981....................................   26,022
43,429
1982....................................   14,766
23,028
1983....................................   10,001
14,934
1984....................................   11,425
16,369
1985....................................   11,071
15,298
1986....................................   10,032
13,526
1987....................................   8,979
11,768
1988....................................   8,592
10,815
1989....................................   \1\8,879
10,668
1990....................................   \1\10,557
12,084
1991....................................   \1\19,239
20,962
1992....................................   \1\18,855
19,944
1993....................................   \1\20,236
20,773
1994 (estimate).........................   \1\19,371
19,371

\1\Includes $99 million, $1,164 million, $8,814 million, $7,585 million,
  $6,926 million, and $5,278 million for renewing expiring section 8
  contracts in 1989, 1990, 1991, 1992, 1993, and 1994 respectively.

Note: All figures are net of funding rescissions, exclude

reappropriations of funds, but include supplemental appropriations.
Totals include funds appropriated for public housing operating subsidies, and, starting in 1992, for HOME and HOPE grants. Excludes budget authority for HUD's section 202 loan fund and for programs administered by the Farmers Home Administration.

Source: Congressional Budget Office, based on data provided by the Department of Housing and Urban Development.

TABLE 18-28.--OUTLAYS FOR HOUSING AID ADMINISTERED BY HUD, 1977-94

[In millions of current and 1994 dollars]

Fiscal year	Outlays: Current dollars	Outlays: 1994 dollars
1977	2,928	6,924
1978	3,592	7,981
1979	4,189	8,550
1980	5,364	9,852
1981	6,733	11,233
1982	7,846	

12,238
1983.. 9,419
14.065
1984.. 11,000
15,750
1985.. 25,064
34,630
1986.. 12,179
16,420
1987.. 12,509
16,390
1988.. 13,684
17,223
1989.. 14,466
17,381
1990.. 15,690
17,960
1991.. 16,897
18,411
1992.. 18,242
19,200
1993.. 20,487
21,030
1994 (estimate)............................. 21,816
21,810

Note: The bulge in outlays in 1985 is caused by a change in the method
of financing public housing, which generated close to $14 billion in
one-time expenditures. This amount paid off--all at once--the capital
cost of public housing construction and modernization activities
undertaken between 1974 and 1985, which otherwise would have been paid
off over periods of up to 40 years. Because of this one-time
expenditure, however, future outlays for public housing will be lower

than they would have been otherwise.

Source: Congressional Budget Office based on data provided by the Department of Housing and Urban Development.

On the other hand, with the continuing increase in the number of households served, total outlays (expenditures on behalf of all households actually receiving aid in a given year) for all of HUD's housing assistance programs combined have risen steadily (in 1994 dollars), from $6.9 billion in fiscal year 1977 to an estimated $21.8 billion in fiscal year 1994, an increase of 215 percent (see table 18-28). Moreover, despite measures to contain costs, and the increase in household contributions from 25 percent to 30 percent of adjusted income, average Federal outlays per unit for all programs combined have generally continued to rise in real terms, from around $2,750 in 1977 to an estimated $4,540 in 1994--an increase of 65 percent (see table 18-29).\27\

\27\The change in the method for financing the construction and modernization of public housing caused a large one-time expenditure in 1985, when most of the outstanding debt incurred since 1974 for construction and modernization was paid off (see table 29). Without that bulge in expenditures, average outlays per unit in 1985 would have been about $3,950 in 1994 dollars.

Several factors have contributed to this growth. First, rents in assisted housing have probably risen faster than the income of assisted households, causing subsidies to rise faster than the inflation index used here--the revised Consumer Price Index, for all urban consumers (CPI-U-X1).\28\ Second, the number of households that occupy units completed under the section 8 new construction program has risen. These recently constructed units require larger subsidies compared with the older units that were built some time ago under the mortgage-interest subsidy programs and the public housing program. Third, the share of households receiving less costly homeownership assistance has decreased. Fourth, housing aid is being targeted toward a poorer segment of the population, requiring larger subsidies per assisted household.

\28\For example, between 1980 and 1990, the CPI-U-X1 increased 59 percent. Over the same period, median household income of renters and the Consumer Price Index for residential rents increased by 70 percent and 71 percent, respectively, but the maximum rents allowed for section 8 existing-housing rental certificates--the so-called fair market rents--rose 85 percent.

TABLE 18-29.--PER UNIT OUTLAYS FOR HOUSING AID ADMINISTERED BY HUD, 1977-94

[In current and 1994 dollars]

Fiscal year	Per unit outlays: Current

	dollars	1994 dollars
1977	1,160	2,750
1978	1,310	2,910
1979	1,430	2,910
1980	1,750	3,210
1981	2,100	3,510
1982	2,310	3,600
1983	2,600	3,890
1984	2,900	4,150
1985	6,420	8,870
1986	3,040	4,090
1987	3,040	3,980
1988	3,270	4,110
1989	3,390	4,070
1990	3,610	4,130
1991	3,830	4,180
1992	4,060	4,300
1993	4,450	4,570
1994 (estimate)	4,540	4,540

Note: The peak in outlays per unit in 1985 of $8,870 is attributable to the bulge in 1985 expenditures associated with the change in the method for financing public housing. Without this change, outlays per unit would have amounted to around $3,950 in 1994 dollars.

Source: Congressional Budget Office based on data provided by the Department of Housing and Urban Development.

SCHOOL LUNCH AND BREAKFAST PROGRAMS

The National School Lunch Program (NSLP) and the School Breakfast Program (SBP) provide Federal cash and commodity support to participating public and private schools and nonprofit residential institutions that serve meals to children. Each program has a three-tiered reimbursement system that allows children from households with incomes at or below 130 percent of the poverty line to receive free meals, permits children with incomes between 130 percent and 185 percent of poverty to receive meals at a reduced price, and provides a small subsidy for the meals of children who do not apply for, or whose family income does not qualify them for free or reduced price meals.\29\ Children in AFDC or food stamp families are automatically eligible to receive free breakfast and lunch. An estimated 56 percent of households receiving AFDC also receive free or reduced-price meals.\30\

\29\For example, in the 1993-94 school year, the NSLP schools
receive Federal cash subsidies of $1.73, $1.33, and $0.17,
respectively, for each free, reduced-price, or ``full-price'' lunch
served to children from these three income categories. An additional 14
cents worth of commodity assistance is mandated for all lunches. The
corresponding levels of Federal subsidies in the SBP are $0.96, $0.66,
and $0.19. Additional subsidies are available for ``severe need''
schools, and ``bonus'' commodity assistance is also offered if Federal
commodity stocks are available.

\30\Other programs that provide nutritional assistance to children
include the Child Care Food Program, the Summer Food Service Program,
and the Special Milk Program.

The NSLP provides subsidized lunches to children in most
schools. During fiscal year 1993, the average daily
participation was 24.8 million students. More than 4.1 billion
meals were served at a total Federal program cost of $4.7
billion (see table 18-30). In fiscal year 1993, 93,000
elementary and secondary schools participated in the NSLP.
Nearly 44 million children were enrolled in these schools, and
58 percent of these students participated in the program. Just
over half of the meals subsidized by the NSLP go to children
from lower income families although nearly 90 percent of
Federal funding is used for these children's lunches. In fiscal

year 1993, 47 percent of the children receiving NSLP lunches received free lunches, 7 percent received reduced-price lunches, and the remaining 46 percent paid full price for their meals.

The SBP serves far fewer students than does the NSLP. In fiscal year 1993, the program had an average daily participation of 5.4 million students, with total Federal program costs of $868 million (see table 18-31). The program operated in 55,000 schools, or just over half of the schools participating in the school lunch program. Nearly 27 million children were enrolled in these schools, of whom 20 percent participated in the program. The SBP also differs from the NSLP in that most of the schools that offer the program are in low-income areas, and the children who participate in the program are predominantly from low- and moderate-income families. In fiscal year 1993, 88 percent of the SBP participants received free or reduced-price breakfasts.

TABLE 18-30.--THE NATIONAL SCHOOL LUNCH PROGRAM: PARTICIPATION AND FEDERAL COSTS, FISCAL YEARS 1977-93

[Dollars in millions]

Participation 9 month average (in millions)\1\ Federal

-- costs

Fiscal year	Free meals	Reduced-price meals	Full-price meals\2\	Total\3\	Federal costs\4\	in constant 1993 dollars
1977	10.5	1.3	14.5	26.3	$2,111.1	$5,066.6
1978	10.3	1.5	14.9	26.7	2,293.6	5,160.6
1979	10.0	1.7	15.3	27.0	2,659.0	5,424.4
1980	10.0	1.9	14.7	26.6	3,044.9	5,450.4
1981	10.6	1.9	13.3	25.8	2,959.5	4,764.8
1982	9.8	1.6	11.5	22.9	2,611.5	3,917.3
1983	10.3	1.5	11.2	23.0	2,828.6	3,101.5
1984	10.3	1.5	11.5	23.3	2,948.2	4,098.0
1985	9.9	1.6	12.1	23.6	3,034.4	4,096.4
1986	10.0	1.6	12.2	23.8	3,160.2	4,139.9
1987	10.0	1.6	12.4	24.0	3,245.6	4,154.4
1988	9.8	1.6	12.8	24.2	3,383.7	4,162.0
1989	9.7	1.6	12.7	24.2	3,479.4	4,070.0
1990	9.9	1.6	12.8	24.1	3,676.4	4,117.6
1991	10.3	1.8	12.1	24.2	4,072.9	4,317.3

1992	11.1	1.7	11.7	24.5	4,474.5	4,608.7
1993	11.8	1.7	11.3	24.8	4,663.8	4,663.8

\1\In order to reflect participation for the actual school year (September through May), these estimates are based on 9 month averages of October through May, plus September, rather than averages of the 12 months of the fiscal year (October through September).
\2\The Federal Government provides a small subsidy for these meals.
\3\Details may not sum to total because of rounding.
\4\Includes cash payments and entitlement commodities and cash in lieu of commodities; does not include value of bonus commodities.

Note: Constant dollars were calculated using the fiscal year CPI-U.

Sources: U.S. Department of Agriculture, Food and Nutrition Service, ``Annual Historical Review of FNS Programs: Fiscal Year 1988, ``Food Program Update fiscal year 1990 (January 1991), and ``Review of FNS Food Assistance Program Activity, fiscal year 1991 (December 1991), and fiscal year 1992 (December 1992).
For fiscal year 1993, ``Program Information Report'' (January 1994).

TABLE 18-31.--THE SCHOOL BREAKFAST PROGRAM: PARTICIPATION AND FEDERAL COSTS, FISCAL YEARS 1977-93

[Dollars in millions]

Participation 9 month average (in millions)\1\ Federal

Fiscal year	Free meals	Reduced-price meals	Full-price meals\2\	Total\3\	Federal costs\4\	Federal costs in constant 1993 dollars
1977	2.0	0.1	0.4	2.5	$148.6	$356.6
1978	2.2	.2	.4	2.8	181.2	407.7
1979	2.6	.2	.5	3.3	231.0	471.2
1980	2.8	.2	.6	3.6	287.8	515.2
1981	3.0	.2	.5	3.8	331.7	534.0
1982	2.8	.2	.4	3.3	317.3	476.0
1983	2.9	.1	.3	3.4	343.8	498.5
1984	2.9	.1	.4	3.4	364.0	506.0
1985	2.9	.2	.4	3.4	379.3	512.1
1986	2.9	.2	.4	3.5	406.3	532.3
1987	3.0	.2	.4	3.7	446.8	571.9
1988	3.0	.2	.5	3.7	482.0	592.9
1989	3.1	.2	.5	3.8	507.0	593.2
1990	3.3	.2	.5	4.0	589.1	659.8

1991					
3.6	.2	.6	4.4	677.2	717.8
1992					
4.0	.3	.6	4.9	782.6	806.1
1993					
4.4	.3	.7	5.4	868.4	868.4

\1\In order to reflect participation for the actual school year (September through May), these estimates are based on 9 month averages of October through May, plus September, rather than averages of the 12 months of the fiscal year (October through September).
\2\The Federal Government provides a small subsidy for these meals.
\3\Details may not sum to totals due to rounding.
\4\Does not include the value of any USDA bonus commodities donated to the program for no charge.

Note: Constant dollars were calculated using the fiscal year CPI-U.

Sources: U.S. Department of Agriculture, Food and Nutrition Service: ``Annual Historical Review of FNS Programs, Fiscal Year 1988,'' ``Food Program Update, fiscal year 1990'' (January 1991), and ``Review of FNS Food Assistance Program Activity, fiscal year 1991'' (December 1991) and fiscal year 1992 (December 1992). For fiscal year 1993, ``Program Information Report'' (January 1994).

THE SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

The Special Supplemental Food Program for Women, Infants, and Children (WIC) provides food assistance and nutritional screening to low-income pregnant and postpartum women and their infants, as well as to low-income children up to age 5.

Participants in the program must have incomes at or below 185 percent of poverty, and must be nutritionally at risk. Under the Child Nutrition Act of 1966, nutritional risk is defined as detectable abnormal nutritional conditions; documented nutritionally-related medical conditions; health-impairing dietary deficiencies; or conditions that predispose people to inadequate nutrition or nutritionally related medical problems.

Beneficiaries of the special supplemental food program for women, infants, and children (WIC) receive supplemental foods each month in the form of actual food items or, more commonly, vouchers for purchases of specific items in retail stores. The law requires that the WIC program provide foods containing protein, iron, calcium, vitamin A, and vitamin C. Among the items that may be included in a food package are milk, cheese, eggs, infant formula, cereals, and fruit or vegetable juices. U.S. Department of Agriculture (USDA) regulations require tailored food packages that provide specified types and amounts of food appropriate for six categories of participants: (1) infants from birth to 3 months, (2) infants from 4-12 months, (3) women and children with special dietary needs, (4) children from 1-5 years of age, (5) pregnant and nursing mothers, and (6) postpartum nonnursing mothers. In addition to food benefits, recipients also must receive nutrition education.

The cost of providing WIC benefits varies widely depending on the recipient category, type of package and foods contained in it, as well as by regional differences in food and administrative costs. The USDA estimated that in fiscal year 1993 the national average monthly cost of a WIC food package was $29.82 per participant, and the average monthly per participant administrative cost was $9.77. Thus, the total average cost of serving each WIC participant in fiscal year 1993 was estimated at $39.59 per month or $475 annually.

The WIC program has categorical, income, and nutritional risk requirements for eligibility. Only pregnant and postpartum women, infants, and children under age 5 may participate. Income eligibility is set by each State. Regulations permit States to use either the income cutoff level set for the reduced-price school lunch program (185 percent of the poverty income guideline, currently $26,548 for a family of four), or the income level that is used for free and reduced-price health care, as long as this is not higher than 185 percent of the poverty level. States are prohibited by regulation from using income criteria that are lower than 100 percent of the poverty level. Most States use 185 percent as the cut-off level for WIC income eligibility. South Dakota uses 175 percent statewide. WIC applicants also must show evidence of health or nutrition risk, medically verified by a health professional, in order to qualify for the program.

WIC participants receive benefits for a specified period of time, and in some cases must be recertified during this time period to show continued need. Pregnant women may continue benefits throughout their pregnancy and for up to 6 months after childbirth without recertification. Nursing mothers are certified at 6-month intervals ending with their infant's first birthday.

WIC, which is federally funded, but administered by State and local agencies, does not serve all who are eligible. In fiscal year 1993, Federal costs totaled $2.8 billion and the program served over 5.9 million women, infants, and children (see table 18-32). In July of 1987, the USDA released a report of the WIC eligibility study (``Estimation of Eligibility for the WIC Program'') which found that in 1984, an estimated 9.6 million persons were income-eligible for the WIC program, and 7.5 million of those were estimated to be at nutritional risk and, thus, fully eligible for the WIC program.

In 1991, the Congressional Budget Office (CBO) updated and revised USDA reestimates to reflect more recent Census data on income and population growth. Using slightly higher assumptions of nutritional risk than the USDA, CBO estimated that a total of 8.5 million persons were eligible for WIC in fiscal year 1991. In that year, the program served some 4.8 million recipients, or 56 percent of those estimated to be eligible by CBO. Another USDA study released in February 1992 ``Study of WIC Participant and Program Characteristics, 1990,'' indicated that in 1990 nearly three-quarters (73 percent) of WIC participants had incomes at or below the poverty level. The CBO has projected that in fiscal year 1994 some 9.6 million mothers and children will be eligible for WIC, and that 7.6 million of them would apply for the program and receive benefits if sufficient funds were available to fully fund the program.

TABLE 18-32.--THE SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC): PARTICIPATION AND FEDERAL COSTS, FISCAL YEARS 1977-93

[Dollars in millions]

Fiscal year	Participation (in thousands)				Federal costs\2\	Federal costs in constant 1992 dollars
	Women	Infants	Children	Total\1\		
1977	165.0	213.0	471.0	848.0	$255.9	$597.1
1978	240.0	308.0	633.0	1,181.0	379.6	827.5
1979	312.0	389.0	782.0	1,483.0	525.4	1,039.6
1980	411.0	507.0	995.0	1,913.0	724.7	1,261.9
1981	446.0	585.0	1,088.0	2,119.0	874.4	1,370.1

1982	478.0	623.0	1,088.0	2,189.0	948.2	1,384.5
1983	542.0	730.0	1,265.0	2,537.0	1,123.1	1,583.5
1984	657.0	825.0	1,563.0	3,045.0	1,386.3	1,876.7
1985	665.0	874.0	1,600.0	3,138.0	1,488.9	1,945.6
1986	712.0	945.0	1,655.0	3,312.0	1,580.5	2,014.3
1987	751.0	1,019.0	1,660.0	3,429.0	1,663.6	2,061.7
1988	815.0	1,095.0	1,683.0	3,593.0	1,802.4	2,145.9
1989	951.8	1,259.6	1,907.0	4,118.4	1,929.4	2,192.2
1990	1,035.0	1,412.5	2,069.4	4,516.9	2,125.9	2,301.0
1991	1,120.1	1,558.8	2,213.8	4,892.6	2,301.1	2,370.9
1992	1,221.5	1,684.1	2,505.2	5,410.8	2,566.5	2,566.5
1993	1,364.9	1,741.9	2,813.4	5,920.3	2819.5	2,737.0

\1\Details may not sum to totals due to rounding.
\2\Includes funding for WIC studies, surveys, and pilot projects.

Note: Constant dollars were calculated using the fiscal year CPI-U.

Sources: U.S. Department of Agriculture, Food and Nutrition Service, ``Annual Historical Review of FNS Programs: Fiscal Year 1986,'' and U.S. Department of Agriculture, Food and Nutrition Service, ``Food Program Updates for Fiscal Year 1990'' (January 1991), and ``Food Program Update. A Review of FNS Food Assistance Program Activity. Fiscal Year 1993'' (December 1993).

JOB TRAINING PARTNERSHIP ACT

Title II of the Job Training Partnership Act of 1982 (JTPA) provides block grants to States to fund training and related services for economically disadvantaged youths and adults.

Title II consists of three programs: the II-A adult training program, the II-B summer youth employment and training program, and the II-C youth training program. Prior to the 1992 amendments to JTPA, which became effective July 1, 1993--the beginning of program year 1993--Title II-A provided services to both adults and youth. (Since data for program year 1993 will not be available until sometime after June 30, 1994, the end of the program year, the title II-A data presented here are for both adults and youth.)

The title II JTPA programs are administered by States and localities, which select participants and design projects within Federal guidelines.

The programs are intended to increase participants' future employment and earnings and reduce their dependence on welfare. Services authorized under title II-A include institutional and on-the-job training, work experience, job search assistance, counseling, and other work-related assistance. In general, participants must be economically disadvantaged, which is defined as being a member of a family whose total income for the 6-month period prior to application (exclusive of unemployment compensation, child support payments, and welfare payments) does not exceed the higher of the poverty line or 70 percent of the Bureau of Labor Statistics' lower living standard. Members of families receiving Aid to Families With Dependent Children (AFDC) or other cash welfare payments and those eligible for food stamps are also defined as economically disadvantaged.

As shown in table 18-33, of title II-A participants who terminated during program year 1992, 46 percent were white, 33 percent were black and 18 percent were Hispanic. Fifty percent were younger than 22. Of participants who terminated, 52 percent entered employment, and the average hourly wage for terminees who entered employment was $5.79.

Since the program was implemented in 1983, about one-fifth of the participants terminating activities authorized by title II-A were AFDC recipients at the time that they enrolled--27 percent in program year 1991 (July 1991-June 1992).

Among title II-A terminees who were AFDC recipients at the time of enrollment in program year 1991, women comprised 79 percent of the total, as compared with 47 percent of title II-A participants who did not receive AFDC. Among AFDC recipients, 34 percent were school dropouts, compared with 26 percent of those JTPA participants who were not AFDC recipients. AFDC recipients were more likely to be placed in classroom training (57 percent) than non-AFDC recipients (39 percent), and were less likely to participate in on-job-training (9 percent) than non-AFDC recipients (17 percent). The average entered employment rate in program year 1991 for AFDC recipients in JTPA was 39 percent, compared with an average entered employment rate of 54 percent for those JTPA participants who did not receive AFDC. The average hourly starting wage for AFDC recipients entering employment was $5.64, compared with $5.81 for non-AFDC recipients.

TABLE 18-33.--CHARACTERISTICS OF JTPA TITLE II-A TERMINEES, SELECTED PROGRAM YEARS, 1988-92

Selected Characteristics	Program Years				
	1988	1989	990	1991	1992
Total terminees.......	734,600	692,300	565,200	549,700	510,652
Sex:					
Male..............	47	45	43	44	44
Female............	53	55	57	56	56
Minority status:					
White (excluding Hispanic)........	53	53	52	50	46
Black (excluding Hispanic)........	31	32	33	34	33
Hispanic..........	12	12	12	12	18
Other............	3	3	4		

				4	4
Age at enrollment:					
Younger than 19...	25	25	25	28	([2])
19-21.............	16	15	16	15	([2])
Adults, age 22-54.	54	55	54	52	49
55 and older......	5	5	5	5	1
Economically disadvantaged........	95	93	93	93	NA
Receiving AFDC........	21	22	24	27	27
Receiving public assistance (including AFDC)................	42	43	46	50	30
U.C. claimant.........	4	4	5	6	7
Education status:					
School dropout....	29	29	28	28	24
Student (HS or less)...........	17	18	19	21	27
High school graduate (or more)...........	53	53	53	51	49
Program activity:					
Classroom training, basic..	11	11	14	[1]44	NA
Classroom training, other..	23	24	26	[1]44	NA
On-the-job training.........	22	22	18	15	NA

Job search assistance.......	15	17	16	15	NA
Work experience...	8	7	7	6	NA
Other services....	21	18	19	20	NA
Median length of stay (in days)............	103.7	110.3	128.8	138.0	\3\27
Average entered employment rate......	67	61	55	50	52
Average hourly wage at termination..........	$5.01	$5.29	$5.54	$5.78	$5.79

\1\Basic and other classroom training combined.

\2\The Job Training Annual Status Report, used for 1992, differs in its methodology from the Job Training Quarterly Survey used for 1988 through 1991. In 1992, 50 percent of the terminees were age 21 or younger.

\3\The 1992 data are in weeks rather than days. In 1992, the median length of stay was 27 weeks.

Source: JTQS Special Paper No. 10, ``Review of JTPA Participant Characteristics and Program Outcomes Program Years 1984 through 1989.'' Department of Labor, October 1991; Job Training Quarterly Survey. ``JTPA Title II A and III Enrollments and Terminations During Program Year 1990,'' Department of Labor, January 1992, Job Training Quarterly Survey. ``JTPA Title II-A and III Enrollments and

Terminations During Program Year 1991,'' Department of Labor, February 1993. Job Training Annual Status Report 1992, Department of Labor, February 1994.

In fiscal year 1993, an estimated $1.7 billion is expected to be spent for JTPA II-A and II-C grants, providing training and other services to about 566,000 new enrollees. Data on participation (new enrollees) and budget authority for recent fiscal years are provided in table 18-34 below. Fiscal Year 1994 figures are estimates based on assumptions of continued spending.

TABLE 18-34.--JOB TRAINING PROGRAMS\1\ FOR THE DISADVANTAGED: NEW ENROLLEES, FEDERAL APPROPRIATIONS AND OUTLAYS, FISCAL YEARS 1975-93

Fiscal year	New enrollees	Budget authority (millions)	Outlays (millions)	Budget authority in constant 1990 dollars	Outlays in constant 1990 dollars
1975	1,126,000	$1,580	$1,304	$3,755	$3,099
1976	1,250,000	1,580	1,697	3,515	

3,775
1977..
1,119,000   2,880   1,756   5,964
3,636
1978..
965,000   1,880   2,378   3,658   4,627
1979..
1,253,000   2,703   2,547   4,829
4,550
1980..
1,208,000   3,205   3,236   5,154
5,203
1981..
1,011,000   3,077   3,395   4,493
4,958
1982..
(\2\)   1,594   2,277   2,175   3,107
1983..
(\2\)   2,181   2,291   2,846   2,990
1984..
716,200   1,886   1,333   2,361   1,669
1985..
803,900   1,886   1,710   2,279   2,066
1986..
1,003,900   1,783   1,911   2,101
2,252
1987..
960,700   1,840   1,880   2,108   2,154
1988..
873,600   1,810   1,902   1,991   2,092
1989..
823,200   1,788   1,868   1,877   1,961
1990..
630,000   1,745   1,803   1,745   1,803
1991..
\3\603,900   1,779   1,746   1,694
1,676
1992..
\3\602,300   1,774   1,767   1,637
1,632
1993\3\..

	566,000	1,692	1,747	(\2\)	(\2\)
1994\3\..	556,400	1,647	1,616	(\2\)	(\2\)

\1\Figures shown in years 1975 through 1983 are for training activities under the Comprehensive Employment and Training Act (CETA); public service employment under CETA is not included. Figures shown in years 1984 through 1992 are for activities under title II-A of the Job Training Partnership Act. Fiscal year 1993 through 1994 reflect figures for titles II-A and of the amended Job Training Partnership Act.

\2\Comparable figures are not available for these years.

\3\Estimate.

Source: Employment and Training Administration, Department of Labor (DOL), Employment and Training Reports of the President, Job Training Quarterly Survey data, budget briefing documents, conversation with DOL officials.

Title II-B of JTPA authorizes a summer employment and training program for economically disadvantaged youngsters, aged 14-21. Services include a full range of remedial education, classroom and on-job-training, as well as work experience for which participants are paid minimum wage. The summer program is administered through the nationwide network of local service delivery areas.

Approximately $849 million was appropriated for the summer of 1993 with an estimated 614,600 participants served. For the summer of 1994, $876.7 has been appropriated to date to serve an estimated 623,300 individuals.

In the summer of 1993, 41 percent of title II-B enrollees were ages 14 and 15, and 59 percent were between the ages of 16 and 21. During that summer, 5 percent of enrollees were dropouts, while 86 percent were students and 8 percent were high school graduates. Black youth comprised 42 percent of summer enrollees, while 29 percent were white and 25 percent were Hispanic. Eight percent had limited English-speaking ability, and 15 percent of summer youth had disabilities.

Table 18-35 presents a funding and participation history of the summer program.

TABLE 18-35.--SUMMER YOUTH EMPLOYMENT PROGRAM: FEDERAL APPROPRIATIONS, OUTLAYS, AND PARTICIPATION LEVELS, FISCAL YEARS 1984-94\1\

[Dollars in millions]

	Appropriations	Outlays	Outlays (1990 dollars)	Participants
1984	$824.5	$583.8	$730.7	767,600
1985	724.5	776.3	938.0	785,000
1986	636.0	746.1	879.2	634,400
1987	750.0	722.7	828.1	722,900
1988	718.1	707.1	777.7	604,500
1989	709.4	697.4	732.1	632,700
1990	699.8	699.5	699.5	538,000

1991	682.9	697.8	663.0	\2\771,903
1992	\3\995.2	957.8	649.6	\2\614,600
1993	\4\1,024.9	914.9	(\5\)	\2\623,300
1994	\6\888.3	990.8	(\5\)	\2\623,200

\1\Because JTPA is an advance-funded program, appropriations for the summer youth program in a particular fiscal year are generally spent the following summer. For example, fiscal year 1984 appropriations were spent during the summer of 1985.

\2\Estimate.

\3\Includes $500 million supplemental appropriation for summer 1992. The remaining $495.2 million is for summer 1993.

\4\Includes $354.2 million for summer 1993 and $670.7 for summer 1994.

\5\Not available.

\6\Includes $206.0 million for summer 1994 and $682.3 million for summer 1995.

Source: Employment and Training Administration, Department of Labor (DOL), appropriations justifications documents, telephone conversation with DOL officials.

Job Corps, authorized by title IV-B of JTPA, serves economically disadvantaged youth, ages 14-24, who demonstrate both the need for, and the ability to benefit from, an intensive and wide range of services provided in a residential setting. The program is administered directly by the Federal Government through contractors and currently operates at 108 centers around the country. Services include basic

education,
vocational skill training, work experience, counseling, health
care, and other supportive services.

Labor Department data for program year 1992 (July 1, 1992-
June 30, 1993) indicate that about 61 percent of Job Corps
enrollees are male, 50 percent are black, 31 percent are white,
and 13 percent are Hispanic. Eighty percent are high school
dropouts, and 72 percent have never worked full-time. Forty-two
percent of Job Corps enrollees come from families on public
assistance.

The average length of stay for Job Corps enrollees in
program year 1991 was 7.8 months, and the Labor Department
estimates that 54 percent of terminees entered employment after
leaving the program, while another 11 percent either continued
their education or entered another training program, for a
total positive termination rate in 1991 of 65 percent.

Table 18-36 provides a funding and participation history of
Job Corps since 1982. The program was first authorized in the
mid-1960's by the Economic Opportunity Act and has been
authorized under JTPA since 1982.

TABLE 18-36.--JOB CORPS: FEDERAL APPROPRIATIONS,
OUTLAYS, AND PARTICIPATION, FISCAL YEARS 1982-94

[Dollars in millions]

Appropriations	Outlays	Outlays (1990 dollars)	New enrollees

1982	$589.6	$595.0	$811.8	53,581
1983	618.0	563.3	735.1	60,465
1984	599.2	580.6	726.7	57,386
1985	617.0	593.0	716.5	63,020
1986	612.5	594.5	700.6	64,964
1987	656.4	630.6	722.6	65,150
1988	716.1	688.5	757.3	68,068
1989	741.8	689.5	723.8	62,550
1990	802.6	739.6	739.6	61,453
1991	867.5	769.4	769.0	62,205
1992	919.5	834.1	789.1	\1\64,917
1993	966.1	\1\936.4	N.A.	\1\60,419
1994	1,040.5	\1\1,000.0	N.A.	\1\60,472

\1\Estimate.

Source: Department of Labor (DOL) budget documents, telephone conversation with D.O.L. officials.

HEAD START

Head Start began operating in 1965 under the general authority of the Economic Opportunity Act of 1964. Head Start provides a wide range of services to primarily low-income children, ages 0 to 5, and their families. Its goals are to improve the social competence, learning skills, and health and nutrition status of low-income children so that they can begin school on an equal basis with their more advantaged peers. The services provided include cognitive and language development, medical, dental, and mental health services (including screening and immunizations); and nutritional and social services. Parental involvement is extensive, through both volunteer participation and employment of parents as Head Start staff. Formal training and certification as child care workers is provided to some parents through the Child Development Associate program.

Head Start's eligibility guidelines require that at least 90 percent of the children served come from families with incomes at or below the poverty line. At least 10 percent of the enrollment slots in each local program must be available for children with disabilities. In fiscal year 1993 713,903 children were served in Head Start programs, at a total Federal cost of $2.776 billion. Approximately 55 percent of Head Start children in families receiving AFDC benefits. Table 18-37 provides historical data on participation in and funding of the Head Start program, while table 18-38 provides characteristics of children enrolled in the program.

TABLE 18-37.--HEAD START: PARTICIPATION AND FEDERAL FUNDING, FISCAL YEARS 1965-94

[Dollars in millions]

Fiscal year	Enrollment	Appropriations
1965 (summer only)	561,000	$96.4
1966	733,000	198.9
1967	681,400	349.2
1968	693,900	316.2
1969	663,600	333.9
1970	477,400	325.7
1971	397,500	360.0
1972	379,000	376.3
1973	379,000	400.7
1974	352,800	403.9
1975	349,000	403.9
1976	349,000	441.0
1977	333,000	475.0
1978	391,400	625.0
1979	387,500	680.0
1980	376,300	735.0
1981	387,300	818.7
1982	395,800	

		911.7
1983	414,950	912.0
1984	442,140	995.8
1985	452,080	1,075.0
1986	451,732	1,040.0
1987	446,523	1,130.5
1988	448,464	1,206.3
1989	450,970	1,235.0
1990	548,470	\1\1,552.0
1991	583,471	1,951.8
1992	621,078	2,201.8
1993	713,903	2,776.3
1994 (est.)	750,000	3,326.0

\1\After sequestration.
\2\Projected enrollment.

LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

The predecessor to the Low-Income Home Energy Assistance Program (LIHEAP) was created by title III of the Crude Oil Windfall Profit Tax Act of 1980 (P.L. 96-223). The purpose of LIHEAP is to help low-income households meet their energy-related expenses. In fiscal year 1981, $1.85 billion was appropriated for the program.

In 1981, title XXVI of the Omnibus Budget Reconciliation Act (OBRA) (Public Law 97-35), the Low-Income Home Energy Assistance Act of 1981, authorized the Secretary of Health and Human Services to make LIHEAP allotments to States for fiscal years 1982-84. The Act permitted States to provide three types of energy assistance. States can: (1) help eligible households pay their home heating or cooling bills, (2) use up to 15 percent of their LIHEAP allotment for low-cost weatherization, and (3) provide assistance to households during energy-related emergencies.

TABLE 18-38.--CHARACTERISTICS OF CHILDREN ENROLLED IN HEAD START

[In percent]

Fiscal year	Disabled children	Age of children enrolled				Enrollment by race				
		5 and older	4	3	Under 3	Native American	Hispanic	Black	White	Asian
1980	11.9	21	55	24	0	4	19	42	34	1
1982	12.0	17	55	26	2	4	20	42	33	1
1984	11.9	16	56							

				26	2	4	20	42	33	1
1986.............................	12.2	15	58	25	2	4	21	40	32	3
1988.............................	12.7	11	63	23	3	4	22	39	32	3
1990.............................	13.5	8	64	25	3	4	22	38	33	3
1991.............................	13.1	7	63	27	3	4	22	38	33	3
1992.............................	13.4	7	63	27	3	4	23	37	33	3
1993.............................	13.0	6	64	27	3	4	24	36	33	3

Source: Health and Human Services.

The Human Services Reauthorization Act of 1984 (Public Law 98-558) amended the Low-Income Home Energy Assistance Act of 1981 and authorized appropriations for fiscal years 1985 and 1986. Appropriations for fiscal years 1982, 1983, and 1984 were $1.875, $1.975, and $2.075 billion, respectively. Public Law 98-619 appropriated $2.1 billion for fiscal year 1985. Public Law 99-178 appropriated $2.1 billion for fiscal year 1986.\31\

\31\The Balanced and Emergency Deficit Control Act of 1985, as reaffirmed by Public Law 99-366, required the cancellation of $90.3 million of fiscal year 1986 budget authority.

The Human Services Reauthorization Act of 1986, Public Law 99-425, amended the Act and extended the appropriations authorization through fiscal year 1990. Authorized appropriations levels are: $2.050 billion for fiscal year 1987; $2.132 billion for fiscal year 1988; $2.218 billion for fiscal year 1989; and $2.307 billion for fiscal year 1990. The appropriations for fiscal years 1987, 1988, 1989 and 1990 were $1.825 billion, $1.532 billion, $1.383 billion, and $1.443 billion, respectively.\32\

\32\Funding for Federal administration is not included beginning with fiscal year 1988; these funds are now appropriated through a separate budget account. The fiscal year 1989 appropriation for allotments to States and territories (and training and technical assistance) was reduced from $1.4 billion to $1.383 billion (1.2 percent) under the terms of Public Law 100-436.

The Augustus F. Hawkins Human Services Reauthorization Act of 1990, Public Law 101-501, amended the act and extended the appropriations authorization through fiscal year 1994. The National Institutes of Health Revitalization Act, Public Law 103-43, extended the appropriation authorization through fiscal year 1995. Major amendments in the 1990 Act included permission for grantees to request waivers to spend up to 25 percent of their allotment on weatherization activities, a reduction in the percentage of allotments that can be carried over from year to year, elimination of authority to transfer funds to other block grants (beginning in fiscal year 1994), provision for forward funding based on a July-June ``program year,'' and establishment of a new ``leveraging incentive'' grant award program. Under the leveraging incentive program grantees are to be rewarded for adding their own or other funds to the LIHEAP or finding other ways to stretch Federal dollars (e.g., purchasing fuel in bulk at discount rates); the program was authorized at $25 million for fiscal year 1992 and $50 million a year for fiscal years 1993, 1994, and 1995. Overall authorized appropriations levels were: $2.150 billion for fiscal year 1991; $2.230 billion for fiscal year 1992, and such sums as are necessary for fiscal years 1993, 1994, and 1995.

The fiscal year 1991 appropriation was $1.610 billion, including a $195 million energy emergency ``contingency fund'' that was distributed to States in late January 1991 in response to large increases in home heating oil prices. For fiscal year 1992, $1.5 billion was appropriated, including $406 million that was not made available to grantees until September 30, 1992. In fiscal year 1993, $1.346 billion was appropriated, $682 million of which was not made available to grantees until September 30, 1993. The fiscal year 1993 appropriation included $1.437 billion in ``advance funding'' for the first three quarters of fiscal year 1994, October 1993/June 1994 (this represented the first step in the process of converting the LIHEAP from a fiscal year funding cycle to a ``program year'' cycle, under which grantees know their allocations before the heating season begins. An additional $600 million ``contingency fund'' is available in 1994 if requested by the Administration because of emergency needs. In February 1994 $300 million of this fund was released to 23 States hit by unusually harsh winter weather. LIHEAP received $1.475 billion in advance funding for program year 1995 (October 1994/June 1995) as part of the fiscal year 1994 Labor/HHS/Education Appropriation.

The Human Services Reauthorization Act of 1994, Public Law 103-252, amended the act and extended appropriations authorization for LIHEAP and the leverage incentive program through fiscal year 1999. LIHEAP appropriations are authorized at $2.0 billion for fiscal years 1995 through 1999; authorized appropriation levels for the leveraging incentive program are $50 million for fiscal year 1996 and 1997 and such sums as may be necessary for fiscal years 1998 and 1999. Major amendments to the act include: a permanent authorization of $600 million in each of the fiscal years to meet additional home energy needs arising from a natural disaster or other emergency; allowing for the targeting of such emergency funds to individual States; permitting States to give priority to households with the highest home energy burden in relation to household income, emphasizing households with young children, elderly, or disabled members; and the establishment of the

Residential Energy Assistance Challenge Option (R.E.A.Ch.), an incentive grant program designed to increase efficient energy use, minimize health and safety risks, and prevent hopelessness among low-income families with high energy burdens. Up to 25 percent of leveraging incentive monies may be used to fund R.E.A.Ch. demonstrations.

ALLOTMENTS TO STATES\33\

The maximum amount of LIHEAP funds that a State can carry over to the next fiscal year is 10 percent. This provision applies to a State's allotment after adjustments have been made for tribal set aside. States must explain why funds are held over until the next fiscal year and what types of assistance the funds will provide. The amount carried over does not affect the State's subsequent fiscal year allocation. Amounts above 10 percent that are not spent by the State must be reallocated by the Secretary of Health and Human Services. Special allotment and set-aside rules apply to grants for Indian tribes and the territories.

\33\As the result of court settlements of oil price overcharges under the Emergency Petroleum Allocation Act of 1973, substantial additional funding has been made available to States to supplement

Federal LIHEAP appropriations; in fiscal year 1991, an estimated $109 million of these supplemental funds were used for the LIHEAP.

Table 18-39 shows State allotments for 1981 and selected recent fiscal years, and table 18-40 illustrates the number of households receiving benefits from the single largest program component, heating assistance, average heating benefits and total dollars spent on heating assistance.

ELIGIBILITY AND TYPES OF ASSISTANCE

States have considerable discretion to determine eligibility criteria for LIHEAP and the types of energy assistance to be provided. At State option, LIHEAP payments can be made to households, based on categorical eligibility, where one or more persons are receiving: Supplemental Security Income, Aid to Families with Dependent Children, food stamps, or needs-tested veterans' benefits. States can also elect to make payments to households with incomes that are up to 150 percent of the Federal poverty income guidelines or 60 percent of the State's median income, whichever is greater. Individuals who are denied benefits are entitled to an administrative hearing. The term ``household'' is defined as any individual or group of individuals who are living together as one economic unit and for whom residential energy is customarily purchased in common, or who make undesignated payments for energy in the form of rent. States cannot establish an income eligibility ceiling that is below 110 percent of the poverty level, but may give priority to those households with the highest energy costs in relation to household income, taking into consideration the presence of very young children, frail elderly, or persons with disabilities. States also are prohibited from treating categorically eligible and income eligible households differently with respect to LIHEAP. However, Public Law 103-185 permits States to reduce benefits to tenants of federally assisted housing if it is determined that such a reduction is reasonably related to any utility allowance they may receive.

LIHEAP benefits cannot be used to calculate income or resources, or affect other benefits, under Federal or State law, including public assistance programs.

States are required to give assurances that the largest benefits go to those households that have the lowest income and highest energy costs relative to their income, taking into account family size. In addition, States are to conduct outreach activities aimed at making households with elderly or handicapped individuals aware that energy assistance is available. These outreach services may include: toll-free information hotlines, special application periods, transportation to LIHEAP application offices, and home visits.

Section 607(a) of Public Law 98-558 directs the Department of Health and Human Services to collect annual data, including information on the number of LIHEAP households in which at least one household member is 60 years old or handicapped.

States also have considerable discretion in the methods they have available to provide assistance to eligible households. Methods vary by State and program. A list of methods that are used includes cash payments, vendor payments, two-party checks, vouchers/coupons, and payments directly to landlords. When paying home energy suppliers directly, States are required to give assurances that suppliers will charge the eligible households the difference between the amount of the assistance and the actual cost of home energy. Also, States may use Federal funds to provide tax credits to energy suppliers who supply home energy to low-income households at reduced rates.

PLANNING AND ADMINISTRATION

States are required to submit an application for funds to the Secretary of Health and Human Services. As part of the annual application, the chief executive officer of the State is required to make several assurances related to eligibility requirements, anticipated use of funds, as well as to satisfy planning and administrative requirements. States are prohibited from using more than 10 percent of their total LIHEAP allotment for planning and administrative costs.

States must provide for public participation and public hearings in the development of the State plan, including making it, and any substantial revisions, available for public inspection and allowing public comment on the plan. Public Law 98-558 requires States to engage an independent person or

organization to prepare an audit at least once every 2 years.
However, the Single Audit Act of 1984 (P.L. 98-502) supersedes this requirement in most instances, and requires grantees to conduct an annual audit of all Federal financial assistance received. The law also contains two other related provisions.
First, the Comptroller General is directed to evaluate, at least once every 3 years, whether a State's LIHEAP expenditures are consistent with law. Second, the Department of Health and Human Services is to develop regulations to prevent waste, fraud, and abuse in LIHEAP.

TABLE 18-39.--LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM STATE ALLOTMENTS

[In thousands of dollars]

States	Fiscal year-- \1\1981	1985	1990	1991	1992	1993	1994
Alabama	15,674	18,234	11,961	15,856	12,664	11,344	12,127
Alaska	7,505	7,247	7,635	9,594	8,034	7,241	7,741

Arizona	6,426	8,150	5,785	6,200	6,125	5,486	5,865
Arkansas	11,960	13,973	9,127	11,069	9,663	8,656	9,253
California	84,088	97,894	64,168	68,764	67,940	60,855	65,056
Colorado	29,319	33,299	22,373	23,419	23,688	21,218	22,683
Connecticut \2\	38,247	43,440	29,187	35,541	30,902	27,680	34,986
Delaware \2\	5,077	5,931	3,874	5,471	4,102	3,674	4,214
District of Columbia	5,940	6,940	4,533	5,269	4,799	4,299	4,595
Florida	25,921	28,970	18,926	21,731	20,039	17,950	19,188
Georgia	19,609	22,910	14,964	17,439	15,844	14,191	15,171
Hawaii	1,975	2,243	1,507	1,531	1,596	1,429	1,528
Idaho	11,181	12,877	8,727	9,493	9,240	8,277	8,848
Illinois \2\	105,862	123,679	80,784	85,711	85,533		

76,614   93,921
Indiana
\2\...
47,431   55,371   36,577   41,069   38,727
34,689   39,408

Iowa
\2\..
29,470   38,581   25,922   28,719   27,466
24,584   34,335
Kansas...
..   15,515   18,211   11,905   12,901
12,605   11,290   12,069
Kentucky
\2\...
24,943   29,141   19,034   22,537   20,153
18,052   24,639
Louisiana..
..   16,024   18,867   12,228   13,203
12,947   11,597   12,398
Maine
\2\..
27,513   27,914   18,908   23,550   20,020
17,932   27,275

Maryland
\2\...
29,285   34,214   22,348   29,361   23,662
21,194   29,288
Massachusetts
\2\..
82,707   86,878   58,383   69,364   61,815
55,369   73,071
Michigan
\2\...
111,598   113,951   76,697   86,099   81,206
72,738   126,605
Minnesota
\2\..
72,409   82,239   55,256   62,063   58,504
52,404   93,421

Mississippi..	13,930	15,683	10,255	12,391	10,858	9,725	10,397
Missouri...	37,885	48,026	32,268	35,779	34,165	30,603	32,715
Montana..	11,350	12,298	10,236	10,938	10,838	9,708	10,378
Nebraska...	13,799	19,032	12,820	13,851	13,573	12,158	12,997
Nevada...	3,560	4,151	2,717	3,214	2,877	2,577	2,754
New Hampshire \2\..	14,481	16,447	11,051	13,648	11,700	10,480	14,352
New Jersey \2\...	71,025	82,849	54,200	66,929	57,386	51,402	61,894
New Mexico..	8,867	9,973	7,242	8,123	7,668	6,868	7,342
New York \2\...	231,907	263,291	176,970	214,983	187,373	167,835	240,880
North Carolina...	34,561	40,378	26,374	35,612	27,924	25,013	26,739
North Dakota \2\...	7,995	14,612	11,120	12,503	11,773	10,546	19,376

Ohio
\2\..
93,651 109,413 71,465 78,365 75,666
67,776 96,381
Oklahoma...
.. 15,998 16,004 10,995 12,250
11,641 10,427 11,147
Oregon...
.. 22,723 25,808 17,340 19,298
18,360 16,445 17,580
Pennsylvania
\2\..
124,568 141,479 95,059 107,475 100,647
90,152 116,857
Rhode Island
\2\..
12,594 14,220 9,610 11,572 10,175
9,114 11,471

South
Carolina...
13,822 14,544 9,500 12,451 10,058
9,009 9,631
South Dakota
\2\..
10,241 11,434 9,031 10,691 9,562
8,565 11,150
Tennessee..
.. 25,267 29,520 19,281 21,652
20,415 18,286 19,548
Texas..
.. 41,261 48,206 31,487 36,455
33,337 29,861 31,922
Utah...
.. 13,289 14,827 10,397 11,062
11,008 9,860 10,541

Vermont
\2\...
10,854 12,328 8,283 9,813 8,770

						7,855	13,197
Virginia \2\	39,019	41,677	27,222	36,051	28,822	25,817	28,277
Washington	33,104	40,896	28,522	31,495	30,199	27,050	28,917
West Virginia \2\	16,507	19,285	12,596	13,676	13,337	11,946	16,503
Wisconsin \2\	61,679	74,027	49,738	56,987	52,662	47,171	65,147
Wyoming	3,561	6,195	4,163	4,605	4,407	3,948	4,220
U.S. total	1,813,177	2,077,577	1,390,749	1,607,819	1,472,503	1,318,961	1,709,998

\1\Includes reallocation of funds and crisis intervention funds. Source: Low Income Energy Assistance Program; Report to Congress for Fiscal Year 1981; U.S. Department of Health and Human Services.

\2\Includes $300 million in LIHEAP contingency funds released in February 1994 to states hit by unusually harsh winter weather under the 1994 Emergency Supplemental Appropriations Act, Public Law 103-211.

Note: Columns may not add due to rounding. The table includes payments to Indian tribal organizations and excludes funding for Federal Administrative costs, payments to commonwealths and territories, and ``leveraging'' incentive grants.

Source: U.S. Department of Health and Human Services.

TABLE 18-40.--HEATING ASSISTANCE BENEFITS, NUMBER OF HOUSEHOLDS ASSISTED, AND AVERAGE BENEFIT BY STATE

[Fiscal year 1993]

State	Heating assistance benefits\1\	Estimated number of households assisted	Estimated average benefit (in dollars)
Total.................	$954,484,219	5,403,664	NA
Alabama.................	4,480,459	36,132	124
Alaska..................	4,652,490	13,370	348
Arizona\2\..............	3,906,462	26,941	145
Arkansas................	5,265,738	53,536	98
California\2\...........	35,189,243	380,460	92
Colorado................	23,358,952	70,811	330
Connecticut.............	29,104,137	73,052	475

Delaware................	3,288,026	14,141	233
District of Columbia....	3,308,603	15,081	219
Florida\2\..............	10,403,596	111,867	93
Georgia.................	9,637,845	60,194	160
Hawaii\2\...............	1,002,076	6,300	200
Idaho...................	5,227,737	28,842	182
Illinois................	54,888,350	234,512	245
Indiana.................	29,592,410	112,895	254
Iowa....................	15,610,411	66,320	235
Kansas..................	5,184,191	30,350	171
Kentucky................	17,421,342	155,548	112
Louisiana...............	4,529,551	50,328	90
Maine...................	15,470,441	55,574	290
Maryland................	21,662,246	89,461	242
Massachusetts...........	51,347,839	143,367	360
Michigan................	67,600,000	362,000	187
Minnesota...............	39,362,933	109,367	360
Mississippi.............	5,992,297	40,220	149
Missouri................	26,041,474	128,553	

203		
Montana.................	4,754,242	21,216
224		
Nebraska................	6,500,000	35,600
182		
Nevada..................	1,791,182	9,794
183		
New Hampshire...........	9,751,5900	24,740
394		
New Jersey..............	49,908,052	165,000
283		
New Mexico..............	5,445,385	69,000
117		
New York................	103,270,642	922,059
112		
North Carolina..........	20,625,239	193,481
106		
North Dakota............	7,812,043	17,201
454		
Ohio....................	35,173,467	328,994
107		
Oklahoma................	7,359,553	75,750
96		
Oregon..................	12,529,063	58,730
201		
Pennsylvania............	51,561,008	311,009
166		
Rhode Island............	9,770,578	25,604
381		
South Carolina..........	7,428,422	83,311
90		
South Dakota............	6,935,609	19,016
319		
Tennessee...............	12,778,314	63,829
200		
Texas...................	6,927,484	75,000
92		
Utah....................	7,948,771	36,969

			215
Vermont.................	6,379,014	15,800	402
Virginia................	24,317,772	124,763	195
Washington..............	14,335,672	64,330	216
West Virginia...........	6,217,484	53,599	116
Wisconsin...............	38,604,000	128,333	300
Wyoming.................	2,830,784	11,314	250

\1\State estimates of heating assistance obligations for fiscal year 1993 from the following available funds: fiscal year 1992 LIHEAP funds carried over for use in fiscal year 1993; ``oil overcharge'' funds made available by States for use in LIHEAP; Federal LIHEAP allotments (net of set-asides for Indian tribes); and any State or other funds made available for LIHEAP heating assistance.

\2\Benefits for heating and cooling assistance combined.

Source: U.S. Department of Health and Human Services, March 1994. Data compiled from telephone interviews with State offices conducted in September 1993.

VETERANS' BENEFITS AND SERVICES

The Department of Veterans Affairs (DVA) offers a wide range of benefits and services to eligible veterans, members of their families, and survivors of deceased veterans. The DVA programs include veterans compensation and veterans pensions-- the main cash-assistance entitlement programs--readjustment and rehabilitation benefits, education and job training programs, medical care services, and the housing and loan guaranty programs. Also, the DVA provides life insurance, burial benefits, and special counseling and outreach programs. In fiscal year 1993, Federal outlays for veterans' benefits and services were $35.7 billion.

VETERANS' COMPENSATION AND VETERAN'S PENSIONS

Service-connected compensation is paid to veterans who have incurred injuries or illnesses while in service. The amounts of the monthly payments are determined by disability ratings that are based on presumed average reductions in earnings capacities caused by the disabilities. Disability ratings generally range from 10 percent to 100 percent in 10-percent intervals; multiple injuries may result in combined-degree ratings, however, and some injuries are compensable at a zero-percent rating. Death compensation or dependency and indemnity compensation is paid to survivors of veterans who died as a result of service-connected causes. In 1993, about 2.2 million disabled veterans and 311,748 survivors received $13.4 billion in compensation payments.

Veterans pensions are means-tested cash benefits paid to war veterans who have become permanently and totally disabled from non-service-connected causes, and to survivors of war veterans. Under the current or ``improved law'' program, benefits are based on family sizes, and the pensions provide a floor of income: for 1994, the basic benefit before subtracting other income sources is $10,240 for a veteran with one dependent ($7,818 for a veteran living alone). Somewhat less generous benefits are available to survivors; a surviving spouse with no children could receive two-thirds of the basic benefit amount given a single veteran. About 895,596 persons received $3.5 billion in veterans pension payments in 1993.

READJUSTMENT, EDUCATION, AND TRAINING BENEFITS

Several DVA programs support readjustment, education, and job training for veterans and military personnel who meet certain eligibility criteria. In 1992, the largest of these programs was the Montgomery GI bill (MGIB). The MGIB provides an entitlement to basic educational assistance to most persons who are, or have been, members of the Armed Forces or the Selected Reserve for specified periods of time after June 30, 1985. The purposes of the MGIB are to provide educational assistance to help in the readjustment to civilian life, to aid in recruitment and retention of qualified personnel in the Armed Forces, and to develop a more highly educated and productive work force.

Under the MGIB, contributions are required, and veterans can receive a basic educational benefit of up to $400 per month for 36 months while in an educational program.

There are also several employment and training programs for veterans, including transition assistance for service persons scheduled for separation from active duty and programs for veterans who have been unable to find employment following military service.

Net outlays from the DVA account in 1993 for all education and training programs came to $826 million.

MEDICAL PROGRAMS

The DVA provides inpatient and outpatient medical and health-related services, and operates 172 hospital centers, 128 nursing homes, 37 domiciliaries, and 353 outpatient clinics. The DVA extends free priority care to service-connected disabled veterans, to veterans in special categories, and to needy nonservice-connected veterans--in 1994, those with incomes $23,896 or less if married with one dependent, plus $1,330 for each additional dependent, or $19,912 or less if single. Veterans eligible under these criteria are called ``mandatory care'' veterans, and they are entitled to hospital care. As facilities and other resources permit, the DVA provides care to non-service-connected veterans with incomes that exceed the mandatory care income limits. Medical care for these veterans requires copayments. DVA-operated nursing home care is augmented by DVA-supported care under contract in private community nursing homes and with per diem payments for veterans in State-run homes for veterans.

The DVA operates a nationwide health system. In 1993, approximately 2.8 million different veterans were VA patients of which almost all received outpatient care and 500,000 received inpatient care. Construction and modernization of facilities, as well as medical research and training programs, are also funded through DVA appropriations. In 1993, DVA medical programs cost the Federal Government $14.8 billion (see table 43).

TABLE 18-41.--EXPENDITURES FOR VETERANS BENEFITS AND SERVICES, FOR SELECTED FISCAL YEARS

[In millions of dollars]

Fiscal year	Compensation benefits and pensions\1\	Readjustment, education, training	Medical programs\2\	Housing loans\3\	Other veterans and job services	Total
1975	7,860	4,593	3,665	24	458	16,599
1980	11,688	2,342	6,515	-23	665	21,185
1981	12,909	2,254	6,965	201	662	22,991
1982	13,710	1,947	7,517	102	682	23,958
1983	14,250	1,625	8,272	3	696	24,846
1984	14,400	1,359	8,861	244	751	25,614
1985	14,714	1,059	9,547	214	758	26,292
1986	15,031					

		526	9,872	114	813	26,356
1987	14,962	454	10,266	330	769	26,782
1988	15,963	454	10,842	1,292	877	29,428
1989	16,544	459	11,343	878	843	30,066
1990	15,241	278	12,134	517	943	29,112
1991	16,961	427	12,889	85	987	31,349
1992	17,296	783	14,091	901	1,067	34,138
1993	17,758	826	14,812	1,299	1,025	35,720

\1\Primarily compensation and pension benefits. Includes small amounts for insurance and burial benefits.

\2\Medical program expenditure data include outlays for direct medical services, medical research and training, and construction programs.

\3\Numbers provided for expenditures under housing loans are not comparable to program expenditures in the other columns because they are revolving funds with loan outlays and repayments.

Source: Department of Veterans Affairs.

TABLE 18-42.--NUMBER OF RECIPIENTS OF VETERANS BENEFITS AND SERVICES, FOR SELECTED FISCAL YEARS

[In thousands]

Fiscal year	Compensation	Readjustment, education,	Medical	Housing

and pensions	job training	programs\1\	loans
1975			
4,855	2,804	1,985	290
1980			
4,646	1,232	2,671	297
1981			
4,535	1,074	2,765	188
1982			
4,407	900	2,720	103
1983			
4,286	755	2,933	245
1984			
4,123	629	3,026	252
1985			
4,005	491	2,963	179
1986			
3,900	388	2,942	314
1987			
3,850	312	2,900	479
1988			
3,762	273	2,922	235
1989			
3,686	330	3,344	190
1990			
3,614	329	3,018	196
1991			
3,546	275	2,963	181
1992			
3,462	318	2,927	266
1993			
3,397	362	2,800	383

\1\Reprints are the number of applicants during the year.

Source: Department of Veterans Affairs.

WORKERS' COMPENSATION\34\

Workers' compensation programs provide cash and medical benefits to persons with job-related disabilities and survivors' benefits to dependents of those whose death resulted from a work-related accident or illness. In 1991, workers' compensation laws protected approximately 93.6 million workers in 51 jurisdictions, including the District of Columbia. Although the laws vary from State to State, the underlying principle is that employers should assume the costs of occupational disabilities without regard to fault. Prior to the enactment of workers' compensation laws (the first of which was in 1908), a worker was only protected in cases where employer negligence could be proven as the cause of injury or death. By 1949, all States had enacted laws to cover workers and their dependents in any case of occupational disability or death.

\34\Drawn from William J. Nelson, Jr., ``Workers' Compensation: Coverage, Benefits, and Costs, 1989,'' Social Security Bulletin, Spring 1992/Vol. 55, No. 3, pp. 51-56, and ``Workers' Compensation: Coverage, Benefits, and Costs, 1990-91,'' Social Security Bulletin, Fall 1993/ Vol. 56, No. 3, pp. 68-74.

Workers' compensation benefits are paid by insurance companies, special State insurance funds, or by employers acting as self-insurers. State programs are administered by industrial commissions or special units within State departments of labor. The Federal programs (except for a part of the Black Lung benefit program) are administered by the U.S. Department of Labor.

Three-fourths of all compensable claims for workers' compensation benefits and one-fourth of all such cash benefits paid involve a temporary total disability; i.e., an employee is unable to work at all while he or she is recovering from the injury, but is expected to recover fully. Most States will pay benefits for the duration of the disability as long as the condition continues to improve with medical treatment. If the temporary total disability becomes permanent, most State laws provide for weekly benefits either for life or as long as the disability lasts.

If a worker becomes permanently disabled (less than 1 percent of all claims), he or she may be eligible for cash benefits under both workers' compensation and the Social Security Disability Insurance (DI) program. The 1965 Amendments to the Social Security Act stipulate a reduction in Social Security payments so that total benefits under both programs do not exceed the higher of 80 percent of a workers' former earnings or the total family benefit under Social Security before the offset.

The remaining disability claims filed under workers' compensation involve permanent partial disabilities of either major or minor severity. Benefits are paid to cover the cost of the injury (including permanent loss of function and handicap) and to compensate for future reduction in earnings due to the disability.

Coverage

Coverage is compulsory for most private employers except in New Jersey, South Carolina and Texas. If employers reject coverage in these States, they lose the use of common-law defenses against suits by employees. Many State programs exempt employees of nonprofit, charitable, or religious institutions, as well as very small employers, domestic and agricultural employment, and casual labor. The coverage of State and local public employees differs widely from one State program to another.

In 1991, the proportion of covered workers was 87 percent, the same as it was in 1990. Wages and salaries of covered workers (total covered payroll) totaled $2,300 billion, representing 84 percent of all civilian wage and salary payments in that year and a 2.2 percent increase over 1990.

Benefits

Benefit levels are established by State formulas and are usually calculated as a percentage of weekly earnings at the time of injury or death (generally 66\2/3\ percent). Each State (and Federal Government for Federal workers) sets a maximum benefit level, which is periodically adjusted. Most often, maximum benefits range between two-thirds and 100 percent of the State's average weekly wage. As of January 1993, the maximum weekly benefit varied from $236 in Mississippi, to $769 in Connecticut and $1,249 for Federal employees. Workers' compensation benefits are calculated as a proportion of gross pre-injury or death earnings (in most cases) and are not subject to income taxes.

Approximately $42.2 billion was provided in 1991 by workers' compensation programs in total benefit payments, including medical care and hospitalization benefits. This represents an increase of 10.3 percent over 1990. Increases in wages, medical costs, and the number of workers have all contributed the rise in payments, as well as rising maximum benefit levels. Benefit levels also are affected by changes in the incidence and severity of occupational injuries and diseases. Bureau of Labor Statistics' survey data indicate that the rate of on-the-job injuries and illnesses per 100 full-time workers was 8.4 in 1991, down from 8.8 in 1990. However, the number of workdays lost per case was 22.2, the highest in more than 50 years of collecting data (some of this may be due to improved record keeping and monitoring).

Although occupational disease claims currently account for only about 2 percent of workers' compensation claims, the amendment and interpretation of State laws that cover illnesses with long latency periods is expected to increase this ratio. In addition, medical advances and improved technology are leading to the identification of different types of disorders. For example, circulation trauma disorder, caused by constant repetitive motion, pressure or vibration, was deemed the cause of 48 percent of all occupational illnesses in 1987, nearly double the rate 5 years before.

Types of payments

Payments for medical and hospital care for work-related injuries and illnesses totalled more than $16.8 billion in 1991, about 40 percent of the $42.2 billion paid under all workers' compensation programs. Cash compensation payments accounted for the remaining 60 percent of total expenditures.
Of the $25.3 billion in such payments, more than 92 percent was
paid to disabled workers, with the remainder going to workers'
survivors. Black Lung benefit payments totaled $1.4 billion in
1991, which is a 25 percent decrease from the peak year of 1980. As older beneficiaries of Black Lung payments die and fewer new claimants enter the program, the payment level will
continue to decline.

Types of insurers

Generally, employers insure against their workers' compensation liability through commercial insurance companies.
However, they also may self-insure by providing proof of financial ability to carry their own risk (normally, large employers), purchase their insurance through a State ``fund''
(essentially, a State-run insurance company), or buy insurance
commercially through a State-established ``high-risk'' insurance pool. Nearly half the States have ``competitive'' State funds, and employers may buy private insurance, self-insure, or buy from the State fund. In 2 States, employers must
insure through an ``exclusive'' State fund, and in 4 States employers must self-insure or buy insurance from their exclusive State fund. In 1991, about 58 percent of all benefits
were paid by private insurers, 23 percent by State funds or federally supported funding (Federal workers and black lung

benefits), and 19 percent by self-insurers.

Employer costs

The cost to employers to provide workers' compensation to employees was $55.2 billion in 1991, a 4 percent increase over the 1990 figure. These costs include the benefits paid, administration of the insurance operation, claims processing, rehabilitation costs, profits, taxes, and reserves for future benefits. The insurance premium paid by employers varies with the risk involved and the employer's industrial classification with regards to the hazards of a particular industry, which may at times be modified by experience rating. In 1991, the components of employer costs were as follows:

--$35.7 billion paid to private carriers;

--$10.8 billion paid to State funds and for Federal programs (the Federal employee program and that part of the Black Lung benefits program financed by employers); and

--$8.7 billion in the cost of self-insurance (benefits paid by self-insurers plus estimated administrative expenses).

Rising employer costs for workers' compensation now represent $590 for each worker protected by workers' compensation programs, compared with $296 in 1982. Employers' costs per $100 of covered payroll also have grown: in 1991, they averaged $2.40 per $100 of payroll, up from $1.75 in 1982.

Program data

Table 18-43 shows the estimated number of workers covered and the total annual payroll in covered employment for selected years between 1948 and 1991. Over that time period, the number of workers covered in an average month increased from 36.0 to 93.6 million, and the amount of total payroll in covered employment increased from $105 billion to $2,300 billion.

Table 18-44 illustrates the benefit payment amounts under workers' compensation by type of benefit for years 1987, 1988, 1989, 1990, and 1991. In 1991, total benefits paid equaled $42,169 million, of which $40,778 was paid in regular benefits and $1,391 for the Black Lung benefit program.

TABLE 18-43.--ESTIMATED NUMBER OF WORKERS COVERED IN AVERAGE MONTH AND TOTAL ANNUAL PAYROLL IN COVERED EMPLOYMENT, BY SELECTED YEARS, 1948-91\1\

Year	Workers covered in average month: Number (in millions)	Workers covered in average month: Percent of employed wage and salary workers\2\	Total payroll in covered employment: Amount (in billions)	Total payroll in covered employment: Percent of civilian wage and salary disbursements

1948	36.0	77.0	$105	79.9
1953	40.7	80.0	154	81.5
1958	42.5	80.2	192	83.1
1963	47.3	80.5	254	83.7
1968	56.8	83.8	376	83.0
1973	66.3	86.3	578	84.2
1978	75.6	86.7	922	84.3
1983	78.0	85.6	1,382	84.6
1988	91.3	87.0	2,000	84.2
1990	95.1	87.0	2,250	84.0
1991	93.6	87.0	2,300	84.0

\1\Before 1963, excludes Alaska and Hawaii.
\2\Beginning 1968, excludes those under age 16 and includes certain workers previously classified as self-employed.

Source: Social Security Bulletin, March 1991 and Fall 1993, Social Security Administration.

TABLE 18-44.--ESTIMATED WORKERS' COMPENSATION BENEFIT PAYMENT AMOUNTS, BY TYPE OF BENEFIT, 1987-91

[In millions]

Type of benefit	1987	1988	1989	1990	1991
Regular Program.	$25,773	$29,234	$32,837	$36,804	$40,778
Medical and hospitalization......	9,794	11,401	13,299	15,067	16,715
Compensation..........	15,979	17,833	19,538	21,737	24,063
Disability........	15,046	16,956	18,553	20,635	22,840
Survivor..........	933	877	985	1,102	1,223
Black Lung Program........	1,545	1,499	1,479	1,434	1,391
Medical and hospitalization......	118	117	125	120	117
Compensation..........	1,426	1,381	1,354	1,314	1,274
Disability........	698	657	618	577	533
Survivor..........	729	725	736	737	741
Total (Regular and Black Lung)	27,318	30,733	34,316	38,238	42,169
Medical and hospitalization......	9,912	11,518	13,424	15,187	16,832

Compensation..........	17,406	19,215	20,892	23,051	25,337
Disability........	15,775	17,613	19,171	21,212	23,373
Survivor..........	1,631	1,602	1,721	1,839	1,964

Source: Social Security Bulletin, March 1991 and Fall 1993, Social Security Administration.